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# Why Did Colombian Private Savings Decline in the Early 1990s?

*Alejandro López*

The sharp drop in private savings in the 1990s in Colombia can be attributed to a decline in private disposable income and, to a lesser extent, to growth in consumption.

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## Summary findings

The sharp drop in private savings in the 1990s in Colombia can be attributed to a decline in private disposable income and, to a lesser extent, to growth in consumption.

The permanent decline in private disposable income in Colombia between 1950 and 1990 is closely linked to tax increases. This trend was accentuated in the early 1990s by a reduction in corporations' gross operating surplus.

Contrary to the usual hypothesis, López shows that in the 1990s private consumption had a relatively minor effect on national savings. He highlights two findings:

- Private consumption's recent behavior can hardly be called a boom. It declined throughout the second half of the 1980s before finally showing an upturn in 1992 equivalent to 2 percent of gross national product.
- Consumption of durable goods after trade reform cannot be blamed for the decline in private savings. In fact, savings began falling in 1988 and, until 1993, trade reform did not cause a stock adjustment of durable goods.

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This paper — a product of the Macroeconomics and Growth Division, Policy Research Department — is part of a larger effort in the department to assess the determinants of saving. Copies of the paper are available free from the World Bank, 1818 H Street NW, Washington, DC 20433. Please contact Emily Khine, room N11-061, telephone 202-473-7471, fax 202-522-3518, Internet address [kkhine@worldbank.org](mailto:kkhine@worldbank.org). January 1997. (34 pages)

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# **Why Did Colombian Private Saving Decline in the Early 1990s?\***

**Alejandro López\*\***

**The World Bank**

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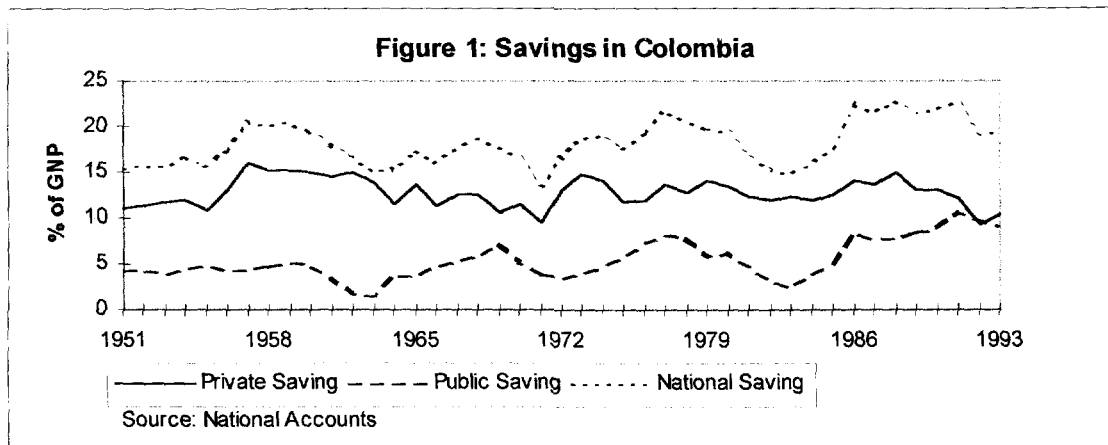
\*\*This paper was written while the author was a research fellow at The World Bank.



## 1. Introduction

Many have pointed out that prior to 1990 the Colombian economy was characterized by the presence of many microeconomic distortions and prudent macroeconomic management (see, among others, World Bank (1991), Urrutia (1994)). As a consequence, growth only had a decent performance and inflation and budget deficits were moderate. For most Colombian policymakers, the lack of a major macroeconomic crisis and the failures of different economic experiments throughout Latin America were sufficient evidence that no serious economic reform was needed. However, during the period 1990-1994 several structural reforms were undertaken in areas such as foreign trade, foreign investment, labor markets, financial markets and public utilities. The ultimate objective of the reforms was to foster growth by strengthening the role of the government in the provision of security and justice and by allowing the private sector to compete in former protected markets and expanding its role in the production of “public goods” (Montenegro (1995)).

The structural reforms carried out by the government were accompanied by a significant decline in private savings. Until 1992 this behavior was offset by public savings and consequently the national saving rate remained stable (Figure 1). Although the deterioration of private savings started in 1988, its extension in the 1990s was associated with the implementation of the structural reforms<sup>1</sup>. Until 1989 around 70% of disposable income accrued to liquidity constrained consumers (López (1994)). Given



<sup>1</sup> An additional hypothesis not related with the reforms has been a reassessment of permanent income due to the oil bonanza (see, among many others, López (1995)).

this result, Urrutia and López (1994, 1995) suggested that the acceleration of the financial liberalization process in the 1990s relaxed liquidity constraints causing an increase in consumption. In addition, Echeverry (1996) explained the drastic fall in the Colombian private saving rate taking a similar approach to that developed in the exchange rate based stabilization literature (i.e. Calvo and Vegh (1993, 1994)). He argued that non-liquidity constrained consumers increased their durable consumption due to their expectations regarding the effects of the trade reform on import prices and the temporariness of the high level attained by the real exchange rate. Finally, Steiner (1995) attributed to fiscal and monetary policies the fall in the private saving rate. On the fiscal front, the tax burden was increased to prevent a deterioration of the fiscal stance caused by the trade and political reforms (i.e. fiscal decentralization and the enhanced role of the government in the provision of justice and security)<sup>2</sup>. The monetary stance was modified in 1992 when the costs and limits of a two-year sterilization policy were evident. As a consequence, interest rates were drastically reduced, international reserves began to be intermediated by the financial system, credit increased, borrowing restrictions were relaxed and a so called consumption boom seemed to have occurred.

Despite the variety of explanations given to the recent decline in Colombian private savings, most analysts have not looked closely to the data and have failed to recognize that the apparently low level attained by private savings in the 1990s might reflect just data inadequacies. The paper is organized in the following way. Section 2 discusses some methodological issues and explains two important corrections that can be easily made to the saving measures presented in the Colombian National Accounts. In particular, it adjusts the saving measures by net capital gains from revaluations of assets and liabilities due to inflation and changes in the real exchange rate. As explained by Servén and Schmidt-Hebbel (1996), this exercise is useful because it constructs a saving measure consistent with net wealth changes and, therefore, with consumption theory. Section 3 makes the comparison between the adjusted and traditional measure of private savings. This shows that both of them have declined in recent years. However, whereas in 1992 the

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<sup>2</sup> The former had a negative impact on revenues due to the reduction of the import surcharge and the latter increased public consumption from 10% of GDP in 1990 to almost 15% of GDP in 1994.

traditional measure attained its lowest level since 1950 and was 3.5% of GNP below the average of the period 1951-1993, the adjusted measure was 0.5% of GNP below that average. Section 4 describes the behavior of the main components of Colombian private savings, an exercise that is very useful to understand its recent behavior. It shows whether consumption is more important than disposable income to explain changes in private savings and identifies which components of consumption/disposable income matter most (i.e. durable or non-durable consumption, interest or non-interest income). The main findings and conclusions are presented in Section 5.

## **2. Methodological Issues**

The Colombian National Accounts contain valuable information when compared to those of other developing countries. In fact, they have been constructed since 1950 and consumption can be divided between durable and non-durable goods since 1965. In addition, savings can be divided between corporations and households, and corporate savings can be divided between public and private enterprises ensuring that the coverage of the public sector does not distort the measures of public and private saving and disposable income<sup>3</sup>. Nevertheless, these accounts suffer from many of the problems mentioned by Schmidt-Hebbel and Servén (1996). Among them it is worth mentioning the following:

(i) Private consumption is the residual that balances the income-expenditure identity and saving is the ultimate double residual. Therefore, it reflects all the inaccuracies incurred in estimating income and expenditure. In the case of Colombia these problems might be important due to the presence of drug trafficking. On the one hand, income might be underestimated since it does not take into account a large percentage of the value

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<sup>3</sup> However, between 1950 and 1969 the National Accounts were constructed by the Colombian Central Bank using a different methodology than those constructed by the National Statistical Department (DANE) for the period starting in 1970. The main differences between the two series are: (i) A wider coverage of the public sector in the National Accounts constructed by DANE; (ii) the private saving measure calculated by the Central Bank and DANE are net and gross measures, respectively. However, the National Accounts constructed by the Central Bank present the depreciation of physical assets and, therefore, the gross saving measure can be easily calculated. The Graphs and Tables presented in this paper are consistent with the gross measure of savings. For a detail description of the differences between the National Accounts constructed by the Central Bank and Dane see: Resumen de la Misión de Expertos Franceses (1984), Lora (1987), Agudelo (1991).

added generated by that sector. However, elements of expenditure, such as investment, include some of the activities undertaken by drug lords. Given that consumption is a residual, it is likely to be underestimated.

(ii) Durable consumption is classified as consumption rather than investment, but theory suggests that an adequate consumption measure should be based on flow of services of presently owned consumer durable goods. This problem could be particularly relevant during trade reforms, such as the undertaken by the Colombian government in the early 1990s. In fact, it might be argued that the trade liberalization caused a once and for all increase in the stock of durable goods since they were repressed before the reform.

(iii) The balance of payments suffers from significant classification problems, implying measurement inadequacies of external savings and, consequently, of domestic saving. For example, between 1992 and 1993 many Colombian economists argued that during the period 1990-1992 the current account surplus was overestimated because capital inflows were hidden as current account transactions (i.e. through over-reporting net exports or transfers of Colombians abroad). However, according to their estimations this classification problem never surpassed 1% of GDP (Steiner (1995)). Furthermore, even if the problem was larger, it might have been offset by an underestimation of net exports. In fact, if part of the revenue coming from illegal drug exports is held abroad, Colombian savings could be larger than the actual figures since those exports might not be completely compensated by smuggled goods.

(iv) Private (public) saving is under (over) estimated because interests paid on total external debt are subtracted from private disposable income. This problem is accentuated because the interests received by the private sector from the public debt it holds are ignored.

(v) In the National Accounts saving is a current account measure but consumption theory is based on a capital account measure of saving in which it is computed as the change in net wealth.

To ensure a correct diagnosis of the recent behavior of private savings, it is important to correct these inadequacies of the data. Solving the first three problems is beyond the scope of this paper but the last two can be removed easily. In particular, the



current account measure of savings can be consistent with that based on net wealth changes if the former is adjusted by net capital gains from revaluations of assets and liabilities due to inflation and changes in the real exchange rate (Arrau and Oks (1992), Schmidt-Hebbel and Servén (1996)). If problems (iv) and (v) are corrected, the traditional macroeconomic identity, which suggests that gross investment is financed by national and external savings, takes the following form<sup>4</sup>:

$$\begin{aligned}
 I = & (Y + \text{ONFS} + TR_{pr}^* - P[r^*(1+\varepsilon) + \varepsilon]f_{pr-1} + \text{Prb}_{-1} - P(\pi/1 + \pi)h_{-1} - T - \text{TR} - \text{OR} + S - C) \\
 & + (T + \text{TR} + TR_{pb}^* - P[r^*(1+\varepsilon) + \varepsilon]f_{pb-1} - \text{Prb}_{-1} + P(\pi/1 + \pi)h_{-1} + \text{OR} - S - G) \\
 & + (M - X - \text{ONFS} - \text{TR}^* + P[r^*(1+\varepsilon) + \varepsilon]f_{pr-1} + P[r^*(1+\varepsilon) + \varepsilon]f_{pb-1})
 \end{aligned} \tag{1}$$

where  $I$  is gross investment,  $Y$  is GDP,  $TR^*$  are total external transfers (subscripts  $pr$  or  $pb$  denote external transfers to the private and public sectors, respectively),  $f_{pr}$  and  $f_{pb}$  are the real stocks of private and public net foreign debt, respectively.  $\text{ONFS}$  is other (non-interest) factor payments from the private to the foreign sector,  $T$  is total taxes,  $\text{TR}$  is net transfers received by the public from the private sector,  $\text{OR}$  is other government revenues (i.e. the gross operational surplus of public enterprises),  $S$  represents subsidies,  $C$  is private consumption,  $G$  is government consumption,  $M-X$  is net exports of goods and non-factor services and  $P$  is the private-consumption deflator;  $h$  and  $b$  are real domestic base money and real domestic public debt held by the private sector, respectively,  $r$  is the real interest rate,  $\pi$  denotes inflation,  $\varepsilon$  represents the change in the real exchange rate and the superscript  $*$  denotes foreign currency values<sup>5</sup>.

Notice that the measures of private and public disposable income have been adjusted in order to correct the measure of savings. In fact, the adjusted measure of private and public disposable income include: (i) The losses (gains) of the private (public)

<sup>4</sup> For a detailed derivation of the adjusted measures see Arrau and Oks (1992) and Schmidt-Hebbel and Servén (1996). For the case of Colombia see: López et.al (1996a). For the case of Mexico, Arrau and Oks included in the adjusted measure the income from private foreign assets. For the case of Colombia this adjustment was not made because it was impossible to obtain the stock of wealth of Colombian residents abroad during the period 1950-1993.

<sup>5</sup> It should be noted that  $\varepsilon$  and  $r$  were calculated as  $\frac{(EP^*/P) - (E_{-1}P_{-1}^*/P_{-1})}{(E_{-1}P_{-1}^*/P_{-1})}$  and  $[(1+i)/(1+\pi)] - 1$ ,

respectively. To avoid overestimation of the interest paid on external debt, the average change of the exchange rate and of domestic and international prices were used.

sector due to the inflation-erosion of the real value of internal debt and the stock of base money. These are represented by  $Prb_{-1}$  and  $P(\pi/1 + \pi)h_{-1}$ , respectively. (ii) The capital losses (gains) of the private and public sectors due to a devaluation (appreciation) of the real exchange rate that causes an increase (decrease) of the real value of external Colombian debt in terms of Colombian goods. These adjustments are captured by  $P[r^*(1+\varepsilon) + \varepsilon]f_{pr-1}$  and  $P[r^*(1+\varepsilon) + \varepsilon]f_{pb-1}$ , respectively. As a consequence, private and public adjusted disposable income ( $YD_p$  and  $YD_{pb}$ , respectively) are:

$$YD_p = Y + ONFS + TR_{pr}^* - P[r^*(1+\varepsilon) + \varepsilon]f_{pr-1} + Prb_{-1} - P(\pi/1 + \pi)h_{-1} - T - TR - OR + S \quad (2)$$

$$YD_{pb} = T + TR + TR_{pb}^* - P[r^*(1+\varepsilon) + \varepsilon]f_{pb-1} - Prb_{-1} + P(\pi/1 + \pi)h_{-1} + OR - S \quad (3)$$

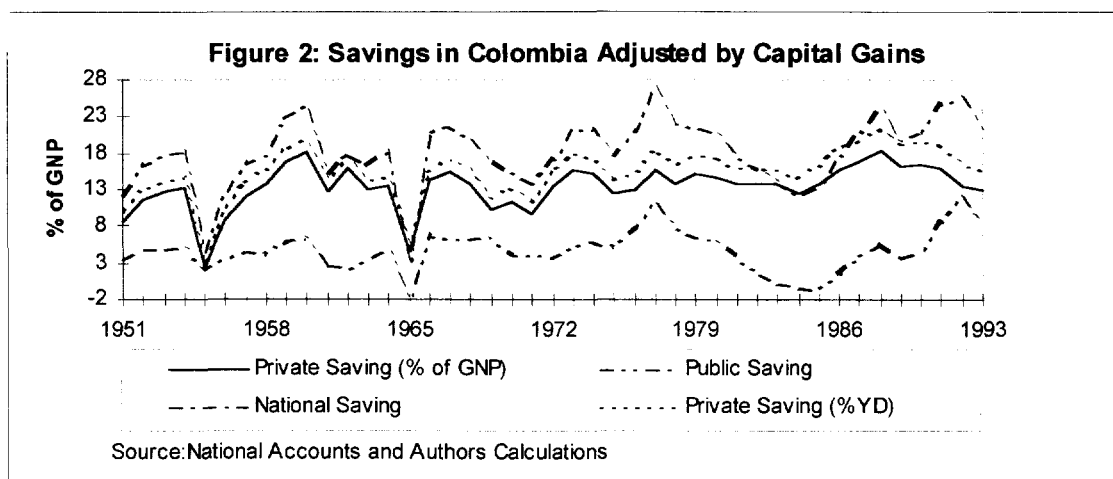
Finally, it should be pointed out that identity (1) indicates that private savings can be derived by subtracting private consumption from private disposable income (i.e. the first parenthesis of (1)), or as the difference between aggregate investment and the sum of public and foreign saving (the last two parenthesis of (1)). The measure of private saving should be identical independently of the way it is calculated, condition that is satisfied by the series presented in Annex 1 and 2<sup>6</sup>. Once the corrections to the saving series have been made, the description of its recent behavior can be properly done. This exercise and the comparison of the traditional and adjusted measures of savings are carried out in the next section.

### 3. A Comparison Between the Adjusted and Traditional Measures of Savings

Figure 2 presents the adjusted measure of national savings and its components (i.e. public and private savings) as a percentage of GNP. In addition, it shows a measure of adjusted private savings as a percentage of adjusted private disposable income (YD). The latter is a better measure of the private saving rate, but its behavior is very similar to the rate expressed as a percentage of GNP. Several issues should be highlighted when these series are compared with the traditional data of the National Accounts (Figure 1):

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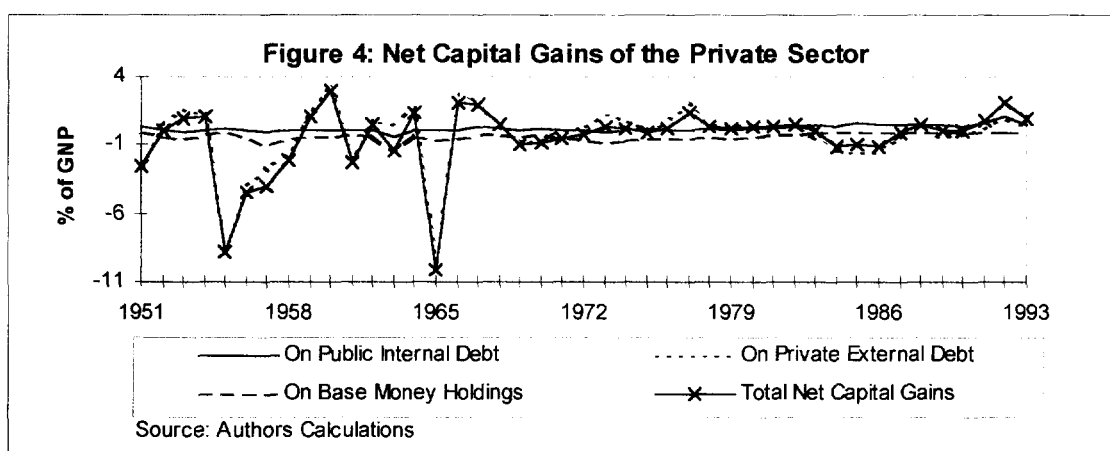
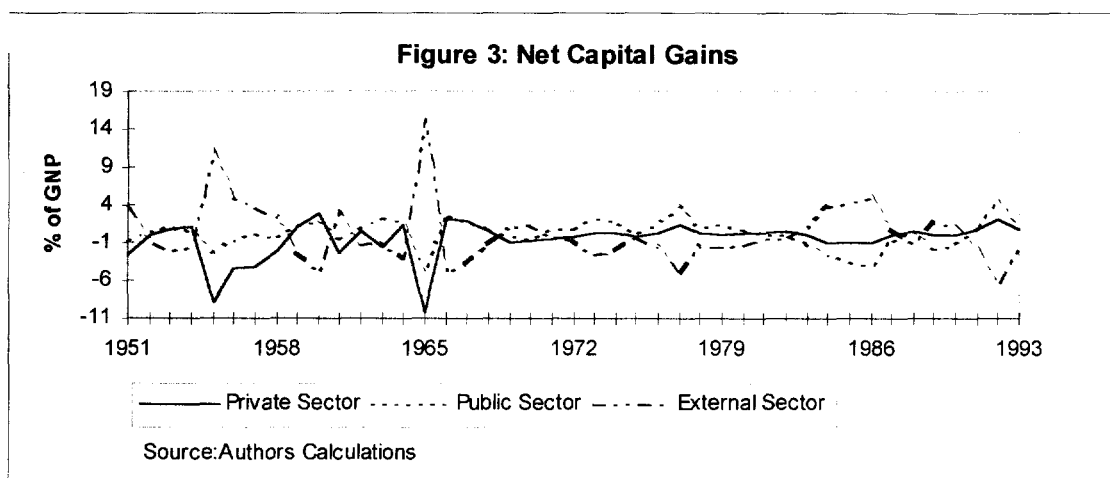
<sup>6</sup> Annex 1 and 2 present the unadjusted (i.e. the raw variables of the Colombian National Accounts) and adjusted measures of saving, respectively. The data were joined using the procedure suggested by López et.al (1996a) which ensures that the measure of private saving will be the same independently of the way it is calculated.



(i) The adjusted series show greater fluctuation, particularly before 1967 when the exchange rate system was characterized by an adjustable peg. In that period several maxi-devaluations of the nominal exchange rate were carried out leading to significant capital losses for the private and public sectors (Figure 3)<sup>7</sup>. However, the effects of the nominal devaluation upon the real exchange rate were quickly compensated by higher inflation and the saving rates returned to the levels attained before the adjustment (For a detailed description of that period, see Diaz-Alejandro (1976)). The differences between the corrected and traditional measures of savings are reduced after the implementation of the crawling peg system in 1967. An important exception occurs in the mid 1980s when the public sector suffered significant capital losses due to a real devaluation of the exchange rate at a time where external debt had increased. As a consequence, in 1985 and 1986 the public sector experienced capital losses of 3.2% and 4.0% of GNP, respectively, whereas the private sector's capital losses reached 1% of GNP in each of these years.

(ii) On average, between 1951-1993 the national saving rate suggested by the National Accounts was 0.2% of GNP higher than the adjusted measure. However, whereas the traditional measure of private saving was on average 0.6% of GNP below the adjusted measure, the National Accounts measure of public savings was 0.8% of GNP above the adjusted measure. As far as the private sector is concerned, the capital gains

<sup>7</sup> The capital losses of the private sector are likely to be overestimated since the adjusted measure of saving does not include the income from private assets held abroad. In fact, it could be possible to argue that before the devaluation these assets were increased through unrecorded capital flight.



caused by the real exchange rate appreciation plus those due to domestic debt holdings are higher than the inflation tax it pays on money holdings (Figure 4).

(iii) According to the National Accounts, in 1992 the private saving rate attained its lowest level since 1950 when it reached 9.3% of GNP, and was 3.5% of GNP below the average private saving rate of the period 1951-1993. Although this rate recovered in 1993, its level was still 2.5% of GNP below the average of the last 23 years. In contrast, the decline of the adjusted measure of private savings continued in 1993 but its level was 0.5% of GNP below the average of the period 1951-1993. Therefore, the low level attained by private savings in the 1990s is more dramatic in the National Accounts than in the adjusted measure. However, the decline in the adjusted measure is steeper. In fact, between 1988 and 1993 the private saving rate fell 5.4% of GNP and 4.6% of GNP according to the adjusted and traditional measures, respectively. The purpose of the next

section is to understand the causes of this behavior and its effects upon the national saving rate.

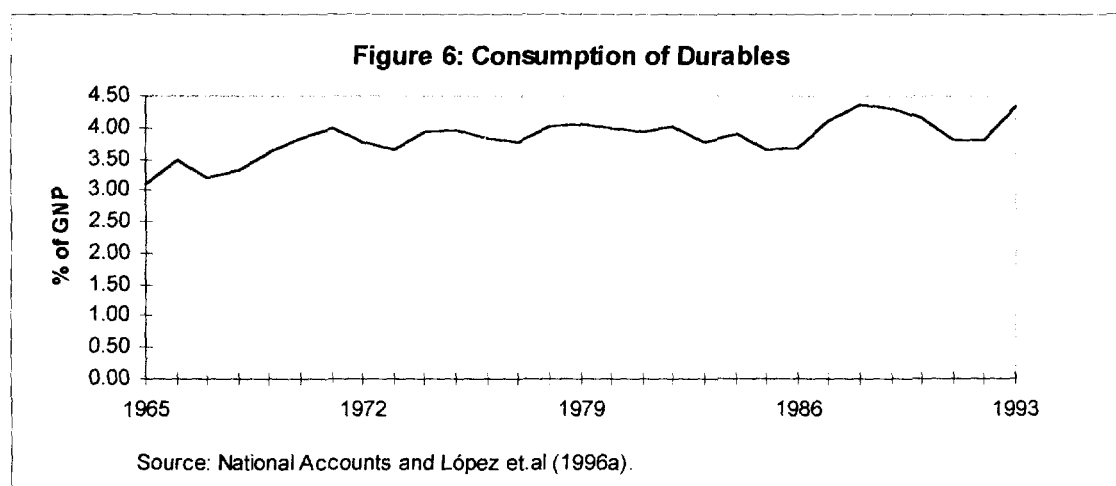
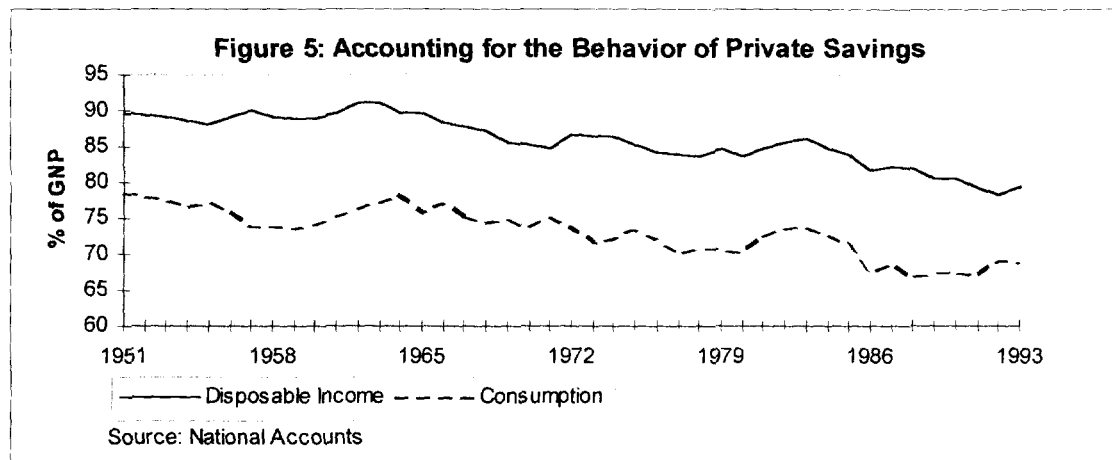
#### **4. Understanding the Recent Behavior of Savings**

Figure 5 takes a first step towards accounting for the change of private savings. It shows that during the period 1950-1993 private disposable income experienced a permanent deterioration. However, this performance was reflected in a decline of the private saving rate only if accompanied by increases in consumption or if the latter suffered a less severe deterioration than disposable income. Two points should be highlighted about the behavior of private consumption:

(i) It is doubtful that the deterioration of the private saving rate can be explained by stock adjustment of durable goods as a consequence of the trade reform (i.e. Echeverry (1996)). In fact, Figure 6 shows that consumption of durable goods only had a moderate increase in 1993 (0.7% of GDP) after a period of decline, whereas private savings have been falling since 1988.

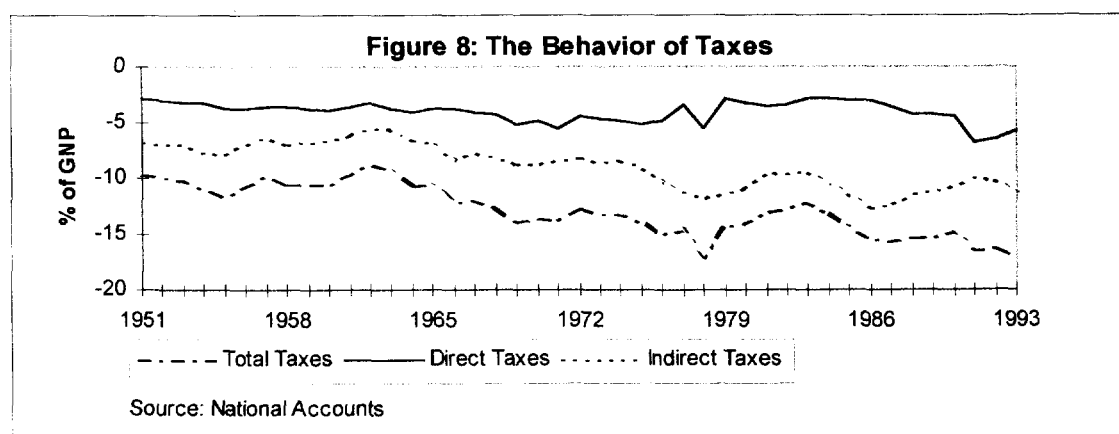
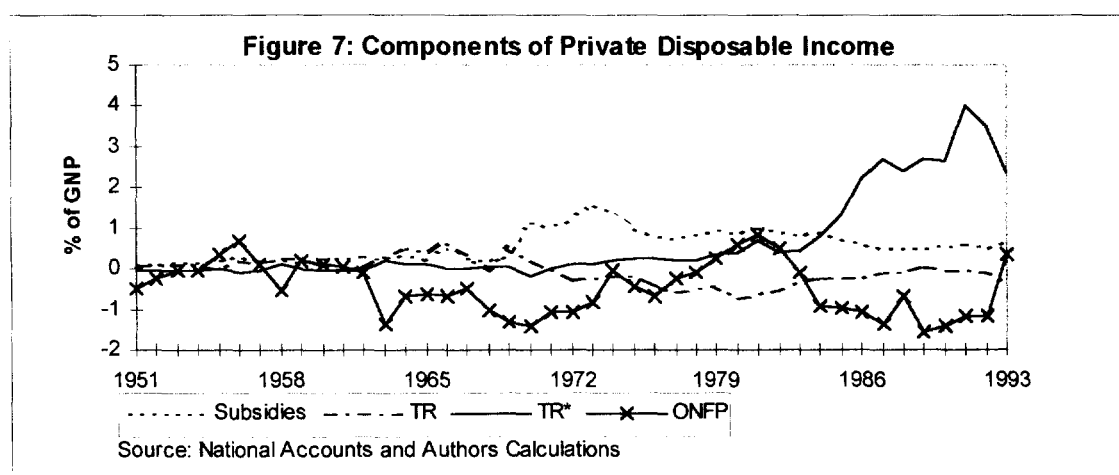
(ii) The macroeconomic imbalances that characterized the Colombian economy during the first years of the 1980s went along with significant increments in consumption (For a comprehensive analysis of that period, see Garay and Carrasquilla (1987)). However, the adjustment process that started in 1984 led to a decrease in consumption and the private saving rate rose. Since 1988 consumption stop falling as a percentage of GNP and had an increase in the 1990s, leading to a decline in private savings. Still, the recent increment in consumption has been smaller than the experienced in the early 1980s and 1960s and it is surprising that this moderate rise had been described as a consumption boom (see, among others, Urrutia and López (1994, 1995)). Nevertheless, it is clear that to understand the behavior of private savings the determinants of private consumption should be identified. The paper by López et.al (1996b) is a first step in this direction. According to their evidence, precautionary savings, public consumption and real interest rates have an important impact upon private consumption. In particular, they found a large negative effect of real interest rates upon consumption and suggest that public consumption complements household spending, reinforcing the idea that public

expenditure cuts are the most efficient way in which government saving can increase the national saving rate.



As far as disposable income is concerned, it is worth describing the behavior of its components in order to explain its permanent decline. Figure 7 presents subsidies (S), transfers received by the public sector from private agents (TR), transfers received by the private sector from abroad (TR\*) and other (non-interest) net factor payments from the foreign to the private sector (ONFP). In general these items represent less than 1% of GNP and its behavior does not contribute significantly to the decline in disposable income. On the contrary, in recent years subsidies to the private sector have been stable after that fall in the early 1970s. In addition, since 1984 transfers from the external to the private sector have shown an increasing trend and transfers from the private to the public sector have declined. An important clue to understand the permanent deterioration

of disposable income is presented in Figure 8. It shows that total taxes experienced a continuous increase as a percentage of GNP since 1950, diminishing private disposable income. This trend was reversed in some periods (1978-1983) or remained stable (1986-1990) but, between 1983 and 1993 total taxes increased almost 5% of GNP explaining 71% of the decline in private disposable income observed during the same period. Although this evidence cannot be interpreted as a causal relationship between taxes and savings, existing empirical evidence suggests that tax increases is not the most efficient way of rising national savings given its large negative effect on private savings (see, among others, Corbo and Schmidt-Hebbel (1991)). The magnitude of this effect is an empirical matter that deserves a careful investigation in Colombia.



A comprehensive review of the behavior of savings in Colombia is presented in Tables 1 to 3. These Tables show 5 year averages of adjusted private, public and national saving rates, quantify its movements as a percentage of GNP and identify the causes behind those changes<sup>8</sup>. The explanations of the change in savings are divided among movements in consumption, capital gains and disposable income. The latter is divided among changes in gross operating surplus (GOS), taxes and other components (i.e. subsidies, transfers from the external to the private and public sectors, transfers from the private to the public sector and ONFP). As can be seen in Table 1, private disposable income also include labor income. Several important conclusions can be derived from those tables regarding the recent behavior of savings.

**Table 1**  
**Accounting for the Change in Private Savings**

Period	Adjusted Saving Rate (% of GNP)	Movements in Private Saving (% of GNP)							
		Change	Explanations						
			Consumption	Capital Gains	Unadjusted Disposable Income				
					Tot.	GOS	TAX	Salaries	Other
56-60	14.0	4.3	-3.3	0.6	0.4	0.7	0.1	-0.1	-0.3
61-65	12.0	-2.0	2.3	-1.1	1.4	-2.7	0.6	3.6	-0.1
66-70	13.0	1.0	-1.5	3.0	-3.5	-3.2	-3.1	0.7	2.1
71-75	13.4	0.4	-1.9	-0.6	-0.9	-1.1	-0.5	1.0	-0.3
76-80	14.5	1.1	-2.4	0.5	-1.8	-2.9	-1.7	0.7	2.1
81-85	13.6	-0.9	2.0	-0.8	1.9	-4.4	1.9	3.8	0.6
86-90	16.7	3.1	-5.2	0.2	-2.3	0.6	-2.2	-4.8	4.1
91-93	14.2	-2.5	0.7	1.3	-3.1	-2.4	-1.2	0.5	0.0

Source: National Accounts, Data Appendix and Authors Calculations. Between 1950 and 1969 the measure of private saving constructed by El Banco de la República was a measure of net saving. In order to be consistent with the measure of gross saving constructed by DANE since 1970, the depreciation of physical capital was added. The interests on external public debt were subtracted from the unadjusted measure of disposable income presented in the National Accounts.

<sup>8</sup> It could be possible to argue that Table 1 would be more illustrative if the private saving rate is defined as a percentage of private income before taxes and its changes are explained only by movements in taxes and consumption. However, this would not show the causes behind the changes in disposable income, an issue relevant for policy makers.



(i) Private saving has been remarkably stable during the last 43 years. As far as private unadjusted disposable income is concerned, it should be pointed out that in the last 9 years it has declined continuously. In fact, it fell 2.3% and 3.1% of GNP during 1986-1990 and 1991-1993, respectively. In the first period this behavior did not cause a lower private saving rate because private consumption declined 5.2% of GNP. However, in the 1990s private consumption rose 0.7% of GNP and the private saving rate deteriorated 2.5% of GNP<sup>9</sup>. According to Table 1, in the 1990s the deterioration of disposable income has been associated with the decline in the GOS of the private sector (2.4% of GNP) and the increase in taxes (1.2% of GNP). However, given that disposable income of corporations is equivalent to corporate savings, the behavior of households and corporations should be analyzed separately to have a better understanding of private savings.

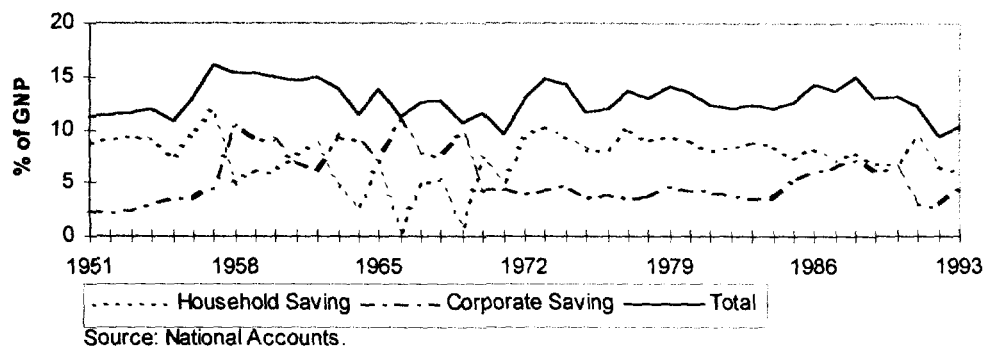
Figure 9 indicates that the behavior of households and corporations has been different. It shows that the stability of the unadjusted private saving rate between 1973 and 1990 was hiding a small but secular decline in household savings (almost equivalent to 4% of GNP). Given that this pattern seems to be closely linked to the deterioration of the GOS generated by these agents (Figure 10), future research should explain the reasons behind the behavior of the latter<sup>10</sup>. Figure 9 also shows that the long run decline in household savings was compensated by an increase in corporate savings, specially in the second half of the 1980s. Still, in the early 1990s the stability of the private saving rate was broken because household savings continued its secular fall whereas corporate savings returned to the levels attained between 1970 and 1985. Figure 11 shows that the decline in corporate savings is explained by the increment in direct taxes and by a deterioration of the GOS after a period of significant increase in the second half of the 1980s. According to Sanchez, et. al (1996) the decline in corporate GOS in the 1990s should be associated with the trade reform as it increased external competition. Moreover,

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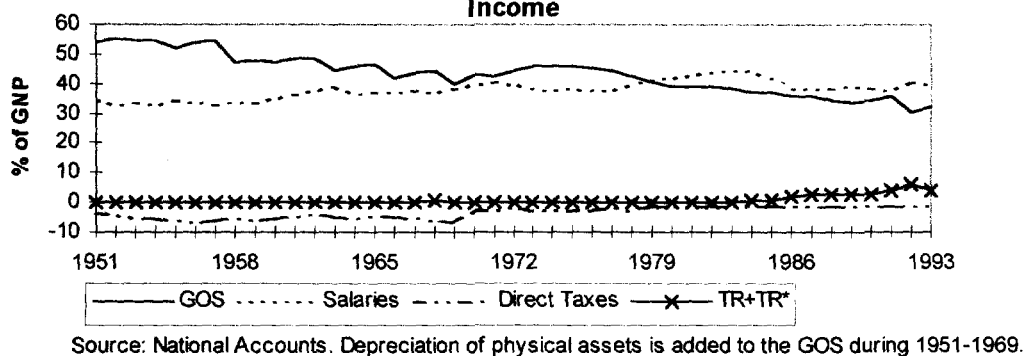
<sup>9</sup> This decline is less acute than the suggested by the traditional measure because the private sector had capital gains equivalent to 1.3% of GNP.

<sup>10</sup> The GOS generated by households includes profits of small industries that are not formally constituted in corporations (i.e. family industries, barber-shops, shoeshops, etc.). It also includes income from effective housing rent and that imputed to the house owner for living in it.

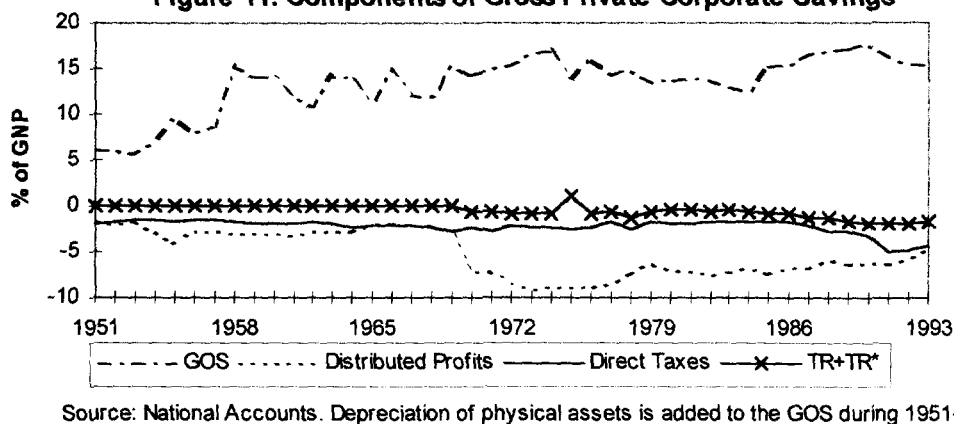
**Figure 9: Components of Unadjusted Gross Private Savings**



**Figure 10: Components of Household's Unadjusted Disposable Income**



**Figure 11: Components of Gross Private Corporate Savings**



they argued that the collapse of corporate savings was not reflected in investment because there was almost a perfect substitution of domestic savings by external and domestic debt as a consequence of the structural reforms that relaxed liquidity constraints. Given the importance of corporate savings in the recent decline of the private saving rate, it is clear that additional efforts are required to have a better understanding of corporate behavior in Colombia.

(ii) Contrary to private saving, public saving has been very unstable, specially since the 1970s. In recent years, public disposable income (defined as in equation 3) increased 2.1% and 3.1% of GNP in 1986-1990 and 1991-1993, respectively. This behavior is explained by the increment in taxes and in the GOS generated by the public sector. Moreover, due to the revaluation of the exchange rate, in the 1990s the capital gains of the public sector increased 3.6% of GNP and the public saving rate attained 9.7% of GNP, its highest level ever (Table 2). Nonetheless, it seems that the way in which public saving was attained was not the most efficient to increase the national saving rate. On one hand, given that public consumption seems to complement household expenditure, the increments observed in the former during the 1990s might have trimmed private consumption (López, et. al (1996b)). On the other hand, the evidence suggests that the rise in taxes might have significant negative effects on private savings (Corbo and Schmidt-Hebbel (1991)).

(iii) In 1991-1993 the adjusted measure of the national saving rate increased 3.3% of GNP and reached 23.9% of GNP (Table 3). This level is the highest of the last 43 years, followed by that attained in 1976-1980 (22.5% of GNP). However, there is an important difference between the two periods. In the late 1970s the national saving rate increased mainly due to a reduction of 3.2% of GNP in total consumption (i.e. private plus public consumption). In contrast, in the early 1990s total consumption increased 1.6% of GNP and this was not reflected in a fall in the adjusted national saving rate because capital gains of the private and public sector increased by 4.9% of GNP. Finally, it should be pointed out that Table 3 shows a simple but important fact about the explanations of the movements in the national saving rate. In particular, those changes can not be explained by unadjusted disposable income since the decline (increment) observed

**Table 2**  
**Accounting for the Change in Public Savings**

Period	Adjusted Saving Rate (% of GNP)	Movements in Public Saving (% of GNP)						
		Change	Explanations					
			Consumption	Capital Gains	Unadjusted Disposable Income			
					Total	GOS	TAX	Other
56-60	4.8	0.7	-0.5	0.7	-0.5	0.1	-0.1	-0.5
61-65	2.1	-2.7	0.8	-0.6	-1.3	-0.1	-0.6	-0.6
66-70	5.9	3.8	0.6	1.0	3.4	0.1	3.1	0.2
71-75	4.8	-1.1	2.2	0.3	0.8	-0.5	0.5	0.8
76-80	8.0	3.2	-0.8	0.4	2.0	-0.8	1.7	1.1
81-85	1.0	-7.0	2.2	-3.0	-1.8	1.7	-1.9	-1.6
86-90	3.9	2.9	-0.7	-0.1	2.1	2.5	2.2	-2.6
91-93	9.7	5.8	0.9	3.6	3.1	0.8	1.2	1.1

Source: National Accounts, Data Appendix and Authors Calculations. The National Accounts constructed by El Banco de la República during 1950-1969 did not present explicitly the depreciation of public physical capital.

**Table 3**  
**Accounting for the Change in National Savings**

Period	Adjusted Saving Rate (% of GNP)	Movements in National Saving (% of GNP)			
		Change	Explanations		
			Consumption	Capital Gains	Unadjusted Disposable Income
56-60	18.8	5.0	-3.8	1.3	-0.1
61-65	14.1	-4.7	3.1	-1.7	0.1
66-70	18.9	4.8	-0.9	4.0	-0.1
71-75	18.2	-0.7	0.3	-0.3	-0.1
76-80	22.5	4.3	-3.2	0.9	0.2
81-85	14.6	-7.9	4.2	-3.8	0.1
86-90	20.6	6.0	-5.9	0.1	-0.2
91-93	23.9	3.3	1.6	4.9	0.0

Source: National Accounts, Data Appendix and Authors Calculations.

in private unadjusted disposable income is almost perfectly compensated by an increase (decline) in public unadjusted disposable income. As a consequence, changes in the national saving rate must be explained by movements in consumption and net capital gains.

## **5. Conclusions and Final Remarks**

This paper looked closely to the Colombian National Account data. In order to ensure a correct diagnosis of the recent behavior of private savings, several inadequacies of the data were corrected. In particular, the following problems were solved: (i) The under (over) estimation of private (public) caused by subtracting interests paid on total external debt from private disposable income and excluding interests received by the private sector from the public debt it holds; and (ii) the lack of consistency of the saving measure with consumption theory. In the National Accounts saving is a current account measure but consumption theory is based on a capital account measure of saving in which it is computed as the change in net wealth. This problem was solved adjusting the current account measure of savings by net capital gains from revaluations of assets and liabilities due to inflation and changes in the real exchange rate.

According to the adjusted measure of savings, the decline of private savings in the 1990s is less dramatic than the suggested by the National Accounts. The latter indicates that in 1992 the private saving rate reached the lowest level since 1950 (9.3% of GNP) and was 3.5% of GNP below the average private saving rate of the period 1951-1993. In contrast, in 1993 the adjusted measure was below the level attained in 1992 but it was 0.5% of GNP below the average of the period 1951-1993. However, the decline in the adjusted measure is more dramatic. In fact, between 1988 and 1993 the private saving rate fell 5.4% of GNP and 4.6% of GNP corresponding to the adjusted and traditional measures, respectively. Still it should be pointed out that the level attained in 1988 was the highest of the period 1950-1993.

In order to understand the recent behavior of Colombian private savings, the performance of its main components was analyzed. This was useful to reject and/or confirm some of the hypothesis that have been suggested as explanation of the decline of

private savings in the 1990s. The following conclusions, and ideas for future research, emerged:

(i) The behavior of private savings between 1991 and 1993 is explained by a deterioration of unadjusted disposable income more than by growing consumption. The increment in taxes explains part of the deterioration of disposable income in the 1990s. This evidence cannot be interpreted as a causal relationship between taxes and savings, but existing empirical evidence suggests that tax increases is not the most efficient way of rising national savings due to its large negative effect on private savings (see, among others, Corbo and Schmidt-Hebbel (1991)). The magnitude of this effect is an empirical matter that deserves a careful investigation in Colombia.

(ii) Although the increase in private consumption explains part of the deterioration of the private saving rate in the 1990s, it only increased in 1992 and the rise was moderate (2.2% of GNP). It is doubtful that the deterioration of the private saving rate can be explained by arguments suggesting a process of stock adjustment of durable goods as a consequence of the trade reform. In fact, the consumption of durable goods only had a moderate increase in 1993 (0.7% of GDP) after a period of decline.

(iii) Given that disposable income of corporations is equivalent to corporate savings, the behavior of households and corporations was analyzed separately. Household savings show a secular decline since 1970 and two elements deserve special consideration to understand this behavior. On one hand, it is important to establish the main determinants of private consumption, step that has already been taken by López, et. al (1996b). On the other hand, the secular decline of household savings seems to be closely related to the GOS generated by households. Therefore, understanding the reasons behind the declining trend of household's GOS should be a priority of future saving studies in Colombia.

(iv) As far as corporate savings is concerned, the period 1983-1994 was characterized by the rise and fall of this aggregate. According to the National Accounts, the decline in the GOS is the main cause of its recent deterioration and, eventually, this could be related to the trade reform as it increased external competition. However, micro data suggests that the decline in corporate profits was temporary, reducing the potential

explanatory power of the trade reform. This evidence indicates that the decline of corporate savings was not reflected in investment because there was almost a perfect substitution of domestic savings by external debt. Although Sanchez et.al (1996) argue that this behavior was the consequence of the structural reforms that relaxed liquidity constraints, the importance of the reforms as an explanation of corporate savings should remain an open question for future research.

(v) During 1991-1993 the national saving rate increased 3.3% of GNP compared to the period 1986-1990 and reached the highest level since 1950. This increment was generated by capital gains caused by the revaluation of the real exchange rate which more than compensated the increase in total consumption. In the first years of this decade the increment in public consumption was higher than the increase in private consumption and preliminary evidence suggests that this tendency was accentuated in 1994 since public consumption had a further increase of 1.6% of GDP whereas private consumption fell 2.6% of GDP in 1994. Therefore, it seems that the way in which public saving was attained was not the most efficient to increase the national saving rate. On one hand, given that public consumption seems to complement household expenditure, the increments observed in the former during the 1990s might have trimmed private consumption (López, et. al (1996b)). On the other hand, the evidence suggests that the rise in taxes might have significant negative effects on private savings (Corbo and Schmidt-Hebbel (1991)).

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## **ANNEX 1**



TABLE I-A  
GROSS NATIONAL PRODUCT AND GROSS DOMESTIC PRODUCT COLOMBIA  
(Millions of Pesos)

YEAR	GNP	NFS /1	GDP	NATIONAL CONSUMPTION			INVESTMENT			GROSS FIXED CAPITAL FORMATION							NET EXPORTS
				TOTAL	PRIVATE	PUBLIC	TOTAL	PRIVATE	PUBLIC	BUILDINGS			OTHER CONSTRUCTIONS	TRANSPORT	MACHINERY & EQUIPMENT	INCREASE IN STOCKS	
										TOTAL	HOUSING /2	OTHER BUILDINGS /3					
1950	7,919	-73	7,992	6,586	6,145	440	1,347	1,196	151	433	368	85	352	118	228	216	59
1951	8,994	-95	9,090	7,602	7,072	529	1,383	1,166	217	337	291	46	389	173	310	174	105
1952	9,732	-79	9,812	8,198	7,607	591	1,517	1,302	215	396	325	71	409	181	369	162	96
1953	10,828	-86	10,914	9,133	8,397	736	1,667	1,374	294	472	352	119	489	295	560	-148	113
1954	12,893	-79	12,972	10,744	9,874	870	2,178	1,814	364	601	459	142	667	325	605	-20	50
1955	13,399	-72	13,471	11,308	10,355	954	2,421	1,893	527	582	433	149	815	344	682	-2	-259
1956	15,020	-91	15,111	12,395	11,420	975	2,750	2,185	565	718	473	246	844	281	726	181	-34
1957	17,879	-228	18,108	14,243	13,204	1,039	3,592	3,025	567	823	600	223	933	180	752	905	273
1958	20,627	-400	21,027	16,471	15,255	1,216	3,927	3,291	636	942	741	201	1,042	362	1,048	533	629
1959	23,732	-311	24,043	18,877	17,485	1,392	4,469	3,713	756	1,243	924	320	1,285	488	957	496	697
1960	26,885	-307	27,193	21,603	19,916	1,687	5,586	4,764	822	1,266	949	318	1,476	703	1,480	661	3
1961	30,527	-401	30,928	25,011	22,961	2,050	6,441	5,271	1,170	1,444	1,107	337	1,882	759	1,587	767	-523
1962	34,261	-508	34,769	28,523	26,128	2,395	6,511	5,187	1,325	1,813	1,352	461	2,093	515	1,819	272	-266
1963	43,426	-825	44,251	36,777	33,575	3,201	7,975	6,565	1,410	2,234	1,701	533	2,260	703	2,089	688	-501
1964	53,846	-811	54,657	45,701	42,159	3,542	9,782	8,163	1,599	2,505	2,004	500	2,830	947	2,516	964	-806
1965	60,899	-913	61,811	50,261	46,240	4,020	10,921	9,024	1,898	2,704	2,254	449	3,373	855	2,732	1,259	629
1966	73,576	-1,264	74,840	61,766	56,774	4,992	15,291	12,192	3,099	2,925	2,576	349	4,668	1,145	3,770	2,782	-2,217
1967	83,287	-1,181	84,468	68,435	62,623	5,812	15,597	11,187	4,409	3,149	2,740	409	6,752	1,482	3,592	622	436
1968	96,510	-1,520	98,029	78,564	71,874	6,689	20,746	16,653	4,093	3,796	3,233	563	8,123	2,268	4,941	1,618	-1,281
1969	110,756	-2,047	112,803	91,002	83,039	7,963	23,094	17,765	5,329	4,234	2,999	1,234	9,871	2,357	5,122	1,510	-1,293
1970	129,937	-2,831	132,768	108,257	95,973	12,284	26,862	19,231	7,631	4,813	4,056	757	8,700	3,178	7,228	2,943	-2,351
1971	153,065	-2,821	155,886	132,352	115,257	17,095	30,266	20,332	9,934	5,676	4,529	1,147	9,547	3,178	8,901	2,964	-6,732
1972	186,007	-3,607	189,614	155,327	137,183	18,144	34,371	23,376	10,995	5,899	4,528	1,371	11,115	4,123	9,349	3,885	-84
1973	238,676	-4,484	243,160	194,217	171,206	23,011	44,425	27,489	16,936	8,415	6,764	1,651	14,043	4,367	11,591	6,009	4,518
1974	318,768	-3,616	322,384	257,991	229,783	28,208	69,170	52,272	16,898	11,489	8,475	3,014	18,295	6,196	16,863	16,327	-4,777
1975	398,556	-6,552	405,108	329,415	293,239	36,176	88,838	47,946	20,892	11,119	8,876	2,243	22,810	8,391	19,809	6,709	6,855
1976	523,176	-9,094	532,270	421,874	378,192	43,682	93,481	64,170	29,311	14,152	11,515	2,637	30,004	14,204	26,211	8,910	16,915
1977	708,328	-7,701	716,029	553,651	498,435	55,216	134,270	88,774	65,496	20,252	16,505	3,747	37,826	13,562	32,401	30,229	28,108
1978	901,575	-7,912	909,487	715,713	637,893	77,820	166,293	104,764	61,529	30,853	25,383	5,470	45,899	19,728	43,417	26,396	27,481
1979	1,181,635	-7,182	1,188,817	946,631	835,909	110,722	215,782	146,599	69,183	38,386	30,353	8,033	59,558	28,833	56,548	32,457	26,404
1980	1,573,409	-5,721	1,579,130	1,264,187	1,104,816	159,371	301,117	180,682	120,435	44,841	35,695	9,146	98,223	39,028	82,802	36,223	13,826
1981	1,972,254	-10,519	1,982,773	1,636,979	1,430,105	206,874	408,927	238,604	170,323	54,972	45,556	9,416	140,156	48,465	106,455	58,879	-63,133
1982	2,459,798	-37,500	2,497,298	2,083,204	1,810,438	272,766	511,625	277,010	234,615	70,621	57,619	13,002	177,276	61,908	126,286	75,534	-97,531
1983	2,990,944	-63,193	3,054,137	2,542,781	2,208,216	334,565	607,566	336,900	270,666	94,897	79,970	14,927	210,710	63,689	155,551	82,719	-96,210
1984	3,757,490	-99,094	3,856,584	3,159,638	2,734,007	425,631	731,400	383,899	347,501	110,665	97,862	12,803	279,827	83,072	180,895	76,941	-34,454
1985	4,824,138	-141,745	4,965,883	3,976,857	3,445,593	531,264	945,549	467,179	478,370	142,758	121,966	20,792	426,715	92,718	208,275	75,083	43,477
1986	6,638,064	-149,892	6,787,956	5,144,983	4,479,169	665,814	1,221,911	648,643	573,268	200,138	167,269	32,869	547,195	145,827	310,954	17,797	421,062
1987	8,637,767	-186,641	8,824,408	6,787,878	5,919,495	868,383	1,764,660	1,057,087	707,573	308,978	244,850	64,128	507,534	248,233	472,490	227,425	271,870
1988	11,535,810	-195,538	11,731,348	8,895,897	7,713,527	1,182,370	2,579,693	1,532,266	1,047,427	407,460	309,806	97,654	857,660	368,798	653,767	292,008	255,758
1989	14,704,016	-422,702	15,126,718	11,539,127	9,942,572	1,596,555	3,021,676	1,857,792	1,363,884	506,632	395,933	110,699	956,202	396,182	874,460	288,200	565,915
1990	19,668,453	-559,869	20,228,322	15,346,717	13,270,258	2,076,459	3,751,655	2,249,848	1,501,807	586,351	458,525	127,826	1,077,756	495,829	1,204,564	387,155	1,129,750
1991	25,952,362	-154,336	26,106,698	20,032,486	17,347,945	2,684,541	4,164,393	2,200,612	1,963,781	829,822	656,876	172,946	1,267,900	474,616	1,237,816	354,239	1,909,819
1992	33,411,741	-103,305	33,515,046	27,043,009	23,077,905	3,965,104	5,763,270	3,170,065	2,593,205	1,241,218	1,003,798	237,420	1,636,419	615,572	1,718,335	551,726	708,767
1993	44,143,375	-245,209	43,898,166	35,561,871	30,453,795	5,108,076	9,299,863	5,840,239	3,659,624	1,698,987	1,343,119	355,868	2,592,448	1,299,680	2,659,888	1,048,860	-963,568

1/ NFS are total external net transfers including interest payment components of foreign saving

2/ Gross Capital Formation in housing is obtained from its measure in real terms, maintaining the changes in the building deflator presented in the National Accounts constructed by El Banco de la República. These changes are applied to the implicit deflator of housing in the series constructed by DANE.

3/ For the period 1950-1969 it is obtained as a residual.

TABLE 1-B  
GROSS NATIONAL PRODUCT AND GROSS DOMESTIC PRODUCT COLOMBIA  
(Millions of 1975 Pesos)

YEAR	GNP	NFS	GDP	NATIONAL CONSUMPTION			INVESTMENT			GROSS FIXED CAPITAL FORMATION							NET EXPORTS
				TOTAL	PRIVATE	PUBLIC	TOTAL	PRIVATE	PUBLIC	BUILDINGS			OTHER CONSTRUCTIONS	TRANSPORT	MACHINERY & EQUIPMENT	INCREASE IN STOCKS	
										TOTAL	HOUSING /1	OTHER BUILDINGS /2					
1950	116,384	-1,070	117,454	93,088	86,383	6,705	27,835	25,340	2,495	6,595	5,382	1,213	5,940	2,713	8,180	4,407	-3,469
1951	119,474	-1,268	120,742	94,381	86,818	7,563	26,151	22,748	3,403	4,865	4,044	821	6,233	3,353	8,545	3,155	209
1952	127,370	-1,036	128,408	100,523	92,480	8,043	27,746	24,542	3,204	5,656	4,467	1,189	6,336	3,180	9,745	2,829	139
1953	133,891	-1,062	134,953	107,589	97,939	9,650	31,046	27,026	4,021	6,541	4,696	1,845	7,226	5,282	14,220	-2,223	-3,682
1954	143,745	-881	144,625	116,755	106,749	10,006	38,706	33,676	5,030	7,927	5,824	2,103	9,595	5,871	15,500	-187	-10,835
1955	149,560	-802	150,362	121,331	110,917	10,414	41,067	33,998	7,069	7,241	5,176	2,065	11,412	6,033	16,496	-115	-12,036
1956	156,562	-945	157,507	123,151	113,084	10,067	41,899	35,056	6,843	8,266	5,228	3,038	10,628	4,532	16,099	2,375	-7,543
1957	160,772	-2,051	162,823	124,563	115,582	8,980	39,735	33,421	6,314	8,332	5,838	2,484	10,255	1,725	10,079	9,344	-1,474
1958	162,758	-3,157	165,916	126,909	117,539	9,370	33,823	28,345	5,478	8,275	6,253	2,022	9,254	2,291	8,846	5,157	5,184
1959	175,506	-2,300	177,806	133,077	123,565	9,512	35,385	29,853	5,532	9,831	7,019	2,812	9,967	3,154	7,656	4,777	9,344
1960	182,842	-2,090	184,932	139,817	129,323	10,494	40,907	35,572	5,335	8,931	6,431	2,500	10,167	4,740	11,687	5,381	4,208
1961	191,910	-2,522	194,432	148,774	137,704	11,070	45,374	38,929	6,446	9,672	7,127	2,545	11,357	5,059	12,500	6,786	284
1962	201,622	-2,991	204,613	161,075	149,080	11,994	41,613	35,114	6,500	10,896	7,812	3,084	11,299	3,101	14,142	2,175	1,925
1963	207,242	-3,937	211,178	169,267	156,582	12,685	40,850	35,249	5,601	10,449	7,645	2,804	9,773	3,525	12,298	4,805	1,061
1964	220,594	-3,321	223,915	183,585	170,729	12,856	46,206	40,460	5,746	10,335	7,948	2,386	11,036	4,283	14,745	5,807	-5,875
1965	229,468	-3,439	232,906	182,390	168,723	13,668	45,488	39,558	5,929	10,085	8,082	2,003	11,399	3,397	13,547	7,060	5,028
1966	241,714	-4,151	245,865	198,542	184,264	14,278	55,156	46,541	8,615	9,647	8,165	1,482	13,936	3,819	14,090	13,664	-7,832
1967	251,420	-3,564	254,985	201,774	186,752	15,022	46,869	35,738	11,131	9,587	8,018	1,570	18,573	4,040	12,216	2,452	6,342
1968	266,728	-4,200	270,928	213,545	198,003	15,542	57,087	45,824	11,263	10,452	8,555	1,897	20,663	5,530	14,063	6,380	296
1969	282,875	-5,227	288,102	230,451	213,688	16,763	58,048	44,652	13,395	10,829	7,373	3,456	22,505	4,857	14,126	5,731	-397
1970	300,939	-6,557	307,496	253,839	226,529	27,310	63,148	45,889	17,259	11,165	9,043	2,122	18,461	6,536	17,039	9,947	-9,491
1971	319,929	-5,896	325,825	277,284	242,810	34,474	65,844	44,664	21,180	11,203	8,801	2,402	18,469	6,834	19,280	10,058	-17,303
1972	344,140	-6,673	350,813	291,041	258,195	32,846	64,238	45,157	19,081	10,375	7,927	2,448	18,519	7,500	18,293	9,551	-4,466
1973	367,494	-6,904	374,398	306,740	270,549	36,191	70,073	43,177	26,896	13,149	10,420	2,729	20,682	7,161	18,451	10,630	-2,415
1974	391,489	-4,441	395,910	321,531	286,171	35,360	83,967	63,347	20,620	14,006	10,311	3,695	22,310	7,768	20,520	19,363	-9,588
1975	398,556	-6,552	405,108	329,415	293,239	36,176	88,838	47,946	20,892	11,119	8,876	2,243	22,810	8,391	19,809	6,709	6,855
1976	417,014	-7,249	424,263	351,782	314,234	37,548	75,245	51,647	23,598	11,385	9,473	1,912	24,256	11,715	20,683	7,206	-2,764
1977	437,153	-4,753	441,906	366,159	326,831	39,328	87,468	44,901	42,567	12,705	10,603	2,102	24,595	10,136	21,082	18,950	-11,721
1978	475,165	-4,170	479,335	396,999	354,067	42,932	93,516	58,585	34,931	14,621	12,308	2,313	23,560	12,342	24,400	18,593	-11,180
1979	502,067	-3,052	505,119	415,313	367,061	48,252	93,220	63,708	29,512	13,566	11,022	2,544	23,687	14,208	26,314	15,445	-3,414
1980	523,880	-1,905	525,765	438,903	384,539	54,364	103,358	62,985	40,373	13,202	10,788	2,414	29,496	14,630	30,693	15,337	-16,496
1981	534,883	-2,853	537,736	450,339	393,952	56,387	117,037	69,494	47,543	13,550	11,479	2,071	32,472	14,636	32,881	23,498	-29,640
1982	534,685	-8,151	542,836	459,261	400,255	59,006	123,279	68,569	54,710	14,226	11,886	2,340	33,599	15,790	32,692	26,972	-39,704
1983	539,971	-11,409	551,380	465,747	407,095	58,652	120,628	62,573	58,055	16,536	14,224	2,312	33,478	14,426	33,004	23,184	-34,995
1984	555,213	-14,642	569,855	479,626	418,566	61,070	113,521	60,548	52,973	15,959	14,327	1,632	36,300	14,451	31,946	14,865	-23,292
1985	570,790	-16,771	587,561	490,292	426,474	63,818	102,574	50,886	51,688	17,051	14,848	2,203	38,214	12,271	25,969	9,069	-5,305
1986	608,051	-13,730	621,781	509,349	444,638	64,711	107,038	59,652	47,386	18,654	15,931	2,723	39,682	12,953	29,361	6,388	5,394
1987	641,307	-13,857	655,164	529,898	461,568	68,330	116,901	70,108	46,793	21,174	17,247	3,927	30,753	15,812	33,732	15,430	8,365
1988	670,427	-11,364	681,791	547,716	472,655	75,061	126,264	74,929	51,335	21,284	16,705	4,579	37,407	17,799	36,012	13,762	7,811
1989	685,366	-19,702	705,068	568,331	489,050	79,281	117,013	64,329	52,684	20,766	16,705	4,061	32,693	14,977	38,175	10,402	19,724
1990	714,916	-20,343	735,259	584,204	502,475	81,729	115,641	69,345	46,296	19,265	15,504	3,761	29,145	15,017	39,619	12,595	35,414
1991	745,542	-4,434	749,976	593,744	509,359	84,385	105,537	55,823	49,714	22,401	18,230	4,171	26,030	12,227	36,027	8,852	50,695
1992	777,907	-2,405	780,312	615,327	522,028	93,299	150,902	91,637	59,265	25,899	21,513	4,386	26,921	13,097	42,773	42,212	14,083
1993	826,928	4,593	822,335	650,727	554,223	96,504	208,549	141,499	67,050	28,361	23,089	5,272	33,111	27,141	59,487	60,449	-36,941

1/ The National Accounts constructed by El Banco de la República have series for total buildings in millions of 1958 pesos. This aggregate was split up between housing and other buildings, maintaining the shares presented in the DANE Bulletin 262-263, (1973). These series were transformed into 1975 pesos. Finally the data were joined with the National Accounts constructed by DANE, maintaining its shares in the GDP of the National Accounts constructed by El Banco de la República and applying it to the GDP constructed for the period 1950-1993.

2/ For the period 1950-1969, Gross Fixed Capital Formation of other constructions was obtained as a residual.

TABLE I-C  
IMPLICIT DEFLATORS

(%)

YEAR	GNP	NFS	GDP	NATIONAL CONSUMPTION			INVESTMENT			GROSS FIXED CAPITAL FORMATION							NET EXPORTS
				TOTAL	PRIVATE	PUBLIC	TOTAL	PRIVATE	PUBLIC	BUILDINGS			OTHER CONSTRUCTIONS	TRANSPORT	MACHINERY & EQUIPMENT	INCREASE IN STOCKS	
										TOTAL	HOUSING /1	OTHER BUILDINGS 2					
1950	6.8	6.8	6.8	7.1	7.1	6.6	4.8	4.7	6.1	6.6	6.8	5.4	5.9	4.4	2.8	4.9	-1.7
1951	7.5	7.5	7.5	8.1	8.1	7.0	5.3	5.1	6.4	6.9	7.2	5.5	6.2	5.2	3.6	5.5	50.2
1952	7.6	7.6	7.6	8.2	8.2	7.4	5.5	5.3	6.7	7.0	7.3	5.9	6.5	5.7	3.8	5.7	69.1
1953	8.1	8.1	8.1	8.5	8.6	7.6	5.4	5.1	7.3	7.2	7.5	6.5	6.8	5.6	3.9	6.7	-3.1
1954	9.0	9.0	9.0	9.2	9.2	8.7	5.6	5.4	7.2	7.6	7.9	6.7	6.9	5.5	3.9	10.8	-0.5
1955	9.0	9.0	9.0	9.3	9.3	9.2	5.9	5.6	7.5	8.0	8.4	7.2	7.1	5.7	4.1	1.7	2.1
1956	9.6	9.6	9.6	10.1	10.1	9.7	6.6	6.2	8.3	8.7	9.0	8.1	7.9	6.2	4.5	7.6	0.5
1957	11.1	11.1	11.1	11.4	11.4	11.6	9.0	9.1	9.0	9.9	10.3	8.9	9.1	10.4	7.5	9.7	-18.5
1958	12.7	12.7	12.7	13.0	13.0	13.0	11.6	11.6	11.6	11.4	11.8	10.0	11.3	15.8	11.8	10.3	12.1
1959	13.5	13.5	13.5	14.2	14.2	14.6	12.6	12.4	13.7	12.6	13.2	11.4	12.9	15.5	12.5	10.4	7.5
1960	14.7	14.7	14.7	15.5	15.4	16.1	13.7	13.4	15.4	14.2	14.7	12.7	14.5	14.8	12.7	12.3	0.1
1961	15.9	15.9	15.9	16.8	16.7	18.5	14.2	13.5	18.2	14.9	15.5	13.2	16.6	15.0	12.7	11.3	-184.2
1962	17.0	17.0	17.0	17.7	17.5	20.0	15.6	14.8	20.4	16.6	17.3	14.9	18.5	16.6	12.9	12.5	-13.8
1963	21.0	21.0	21.0	21.7	21.4	25.2	19.5	18.6	25.2	21.4	22.2	19.0	23.1	20.0	17.0	14.3	-47.2
1964	24.4	24.4	24.4	24.9	24.7	27.5	21.1	20.2	27.8	24.2	25.2	21.0	25.6	22.1	17.1	16.6	13.7
1965	26.5	26.5	26.5	27.6	27.4	29.4	24.0	22.8	32.0	26.8	27.9	22.4	29.6	25.2	20.2	17.8	12.5
1966	30.4	30.4	30.4	31.1	30.8	35.0	27.7	26.2	36.0	30.3	31.6	23.6	33.5	30.0	26.8	20.4	28.3
1967	33.1	33.1	33.1	33.9	33.5	38.7	33.3	31.3	39.6	32.8	34.2	26.1	36.4	36.7	29.4	25.4	6.9
1968	36.2	36.2	36.2	36.8	36.3	43.0	36.3	36.3	43.0	36.3	37.8	29.7	39.3	41.0	35.1	25.4	-433.2
1969	39.2	39.2	39.2	39.5	38.9	47.5	39.8	39.8	47.5	39.1	40.7	35.7	43.9	48.5	36.3	26.3	325.7
1970	43.2	43.2	43.2	42.6	42.4	45.0	42.5	41.9	44.2	43.1	44.9	35.7	47.1	48.6	42.4	29.6	24.8
1971	47.8	47.8	47.8	47.7	47.5	49.6	46.0	45.5	46.9	50.7	51.5	47.8	51.7	46.5	46.2	29.5	38.9
1972	54.0	54.0	54.0	53.4	53.1	55.2	53.5	51.8	57.6	56.9	57.1	56.0	60.0	55.0	51.1	40.7	1.9
1973	64.9	64.9	64.9	63.3	63.3	63.6	63.4	63.7	63.0	64.0	64.9	60.5	67.9	61.0	62.8	56.5	-187.1
1974	81.4	81.4	81.4	80.2	80.3	79.8	82.4	82.5	81.9	82.0	82.2	81.6	82.0	79.8	82.2	84.3	49.8
1975	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1976	125.5	125.5	125.5	119.9	120.4	116.3	124.2	124.2	124.2	124.3	121.6	137.9	123.7	121.2	126.7	123.6	-612.0
1977	162.0	162.0	162.0	151.2	152.5	140.4	153.5	153.2	153.9	159.4	155.7	178.3	153.8	133.8	153.7	159.5	-239.8
1978	189.7	189.7	189.7	180.3	180.2	181.3	177.8	178.8	176.1	211.0	206.2	236.5	194.8	159.8	177.9	142.0	-245.8
1979	235.4	235.4	235.4	227.9	227.7	229.5	231.5	230.1	234.4	283.0	275.4	315.8	251.4	202.9	214.9	210.1	-773.4
1980	300.3	300.3	300.3	288.0	287.3	293.2	291.3	286.9	298.3	339.7	330.9	378.9	333.0	266.8	269.8	236.2	-83.8
1981	368.7	368.7	368.7	363.5	363.0	366.9	349.4	343.3	358.3	405.7	396.9	454.7	431.6	331.1	323.8	250.6	213.0
1982	460.0	460.0	460.0	453.6	452.3	462.3	415.0	404.0	428.8	496.4	484.8	555.6	527.6	392.1	386.3	280.0	245.6
1983	553.9	553.9	553.9	546.0	542.4	570.4	503.7	538.4	466.2	573.9	562.2	645.6	629.4	441.5	471.3	356.8	274.9
1984	676.8	676.8	676.8	658.8	653.2	697.0	644.3	634.0	666.0	693.4	683.1	784.5	770.9	574.9	566.3	517.6	147.9
1985	845.2	845.2	845.2	811.1	807.9	832.5	821.8	818.1	825.5	837.2	821.4	943.8	1116.6	755.6	802.0	827.9	-819.5
1986	1091.7	1091.7	1091.7	1010.1	1007.4	1028.9	1141.6	1087.4	1209.8	1072.9	1050.0	1207.1	1379.0	1125.8	1059.1	278.6	7806.1
1987	1346.9	1346.9	1346.9	1281.0	1282.5	1270.9	1509.5	1507.8	1512.1	1459.2	1419.7	1633.0	1650.4	1569.9	1400.7	1473.9	3250.1
1988	1720.7	1720.7	1720.7	1624.2	1632.0	1575.2	2043.1	2045.0	2040.4	1914.4	1854.6	2132.6	2292.8	2072.0	1815.4	2121.8	3274.3
1989	2145.4	2145.4	2145.4	2030.4	2033.0	2013.8	2582.3	2577.1	2588.8	2439.7	2370.1	2725.9	2924.8	2645.3	2290.7	2770.6	2869.2
1990	2751.2	2751.2	2751.2	2626.9	2641.0	2540.7	3244.2	3244.4	3243.9	3043.6	2957.5	3398.7	3697.9	3301.8	3040.4	3073.9	3190.1
1991	3481.0	3481.0	3481.0	3373.9	3405.8	3181.3	3945.9	3942.1	3950.1	3704.4	3603.3	4146.4	4870.9	3881.7	3435.8	4001.8	3767.3
1992	4295.1	4295.1	4295.1	4394.9	4420.8	4249.9	3819.2	3459.4	4375.6	4792.5	4666.0	5413.1	6078.6	4700.1	4017.3	1307.0	5032.8
1993	5338.2	5338.2	5338.2	5464.9	5494.9	5293.1	4459.3	3986.1	5458.0	5990.6	5817.1	6750.2	7829.6	4788.6	4471.4	1735.1	2608.4

1/ The changes in the building deflator presented in the National Accounts constructed by El Banco de la República were maintained for the period 1950-1969. These changes were applied to the implicit deflator presented by DANE 1970

2/ It is derived as the following quotient: other buildings (millions of pesos)/ other buildings (millions of 1975 pesos).

TABLE I-D  
COMPONENTS OF NATIONAL SAVINGS

(Millions of Pesos)

(Millions of Pesos)																
YEAR	NATIONAL SAVING			COMPONENTS OF PUBLIC SAVINGS											COMPONENTS OF PRIVATE SAVINGS	
	TOTAL	PRIVATE	PUBLIC	TAXES /1				GOS OF PUBLIC ENTERPRISE /2	CAPITAL INCOME ON PUBLIC SECTOR ASSETS/3	TRANSFERS RECEIVED BY THE SECTOR			SUBSIDIES	PUBLIC CONSUMPTION	PRIVATE DISPOSABLE INCOME	PRIVATE CONSUMPTION
				TOTAL	DIRECT	INDIRECT	PAID BY PUBLIC SECTOR			TOTAL	FROM RESIDENTS/4	FROM EXTERNAL SECTOR				
1950	1,333	1,070	263	693	214	479	N.D.	45	-16	-7	-7	0	11	440	7,215	6,145
1951	1,393	1,000	392	875	262	613	N.D.	79	-17	-8	-9	1	8	529	8,073	7,072
1952	1,534	1,108	426	974	304	670	N.D.	81	-16	-10	-12	2	11	591	8,715	7,607
1953	1,695	1,262	433	1,111	357	754	N.D.	103	-20	-11	-11	0	14	736	9,659	8,397
1954	2,149	1,553	595	1,410	426	984	N.D.	94	-16	-4	-4	0	18	870	11,427	9,874
1955	2,090	1,460	631	1,550	509	1,041	N.D.	103	-15	-25	-34	9	29	954	11,815	10,355
1956	2,625	1,975	649	1,604	555	1,050	N.D.	124	-31	-27	-27	0	46	975	13,395	11,420
1957	3,636	2,876	760	1,756	635	1,120	N.D.	139	-35	-29	-56	28	32	1,039	16,080	13,204
1958	4,156	3,154	1,002	2,162	728	1,434	N.D.	203	-64	-44	-57	13	40	1,216	18,409	15,255
1959	4,855	3,624	1,231	2,483	893	1,590	N.D.	252	-67	-7	-22	15	36	1,392	21,109	17,485
1960	5,282	4,013	1,269	2,814	1,050	1,764	N.D.	254	-69	21	6	15	63	1,687	23,929	19,916
1961	5,516	4,456	1,060	2,931	1,076	1,855	N.D.	337	-82	3	-23	25	79	2,050	27,417	22,961
1962	5,738	5,105	633	3,006	1,131	1,875	N.D.	347	-137	-90	-120	30	97	2,395	31,233	26,128
1963	6,649	6,021	629	3,977	1,591	2,386	N.D.	320	-180	-169	-266	97	117	3,201	39,596	33,575
1964	8,145	6,167	1,978	5,789	2,249	3,540	N.D.	352	-280	-159	-257	98	181	3,542	48,326	42,159
1965	10,638	8,399	2,240	6,362	2,277	4,085	N.D.	506	-314	-178	-490	312	115	4,020	54,639	46,240
1966	11,810	8,306	3,504	8,901	2,734	6,167	N.D.	576	-496	-133	-309	176	351	4,992	65,079	56,774
1967	14,852	10,469	4,383	9,931	3,490	6,442	N.D.	663	-542	340	26	314	197	5,812	73,092	62,623
1968	17,946	12,243	5,703	12,216	4,215	8,000	N.D.	1,097	-624	-81	-548	466	215	6,689	84,117	71,874
1969	19,754	11,718	8,036	15,461	5,781	9,680	N.D.	1,428	-954	374	-237	612	309	7,963	94,757	83,039
1970	21,680	14,979	6,701	17,700	6,304	11,396	18	1,340	792	653	-42	695	1,482	12,284	110,952	95,973
1971	20,713	14,593	6,120	21,450	8,560	12,890	30	878	1,315	1,197	493	704	1,595	17,095	129,850	115,257
1972	30,680	24,115	6,565	23,654	8,357	15,297	20	920	1,317	1,055	524	531	2,217	18,144	161,298	137,183
1973	44,459	35,050	9,409	31,501	11,219	20,282	29	1,228	2,232	1,193	660	533	3,705	23,011	206,256	171,206
1974	60,777	45,365	15,412	41,942	15,100	26,842	102	3,073	1,740	1,525	682	843	4,558	28,208	275,148	229,783
1975	69,141	46,560	22,581	56,017	20,341	35,676	301	942	3,475	2,617	2,065	552	3,993	36,176	339,799	293,239
1976	101,302	62,713	38,589	79,424	25,632	53,792	532	-1,372	4,355	4,496	4,084	412	4,100	43,682	440,905	378,192
1977	154,677	96,717	57,960	104,541	24,392	80,149	291	2,296	7,153	4,643	4,410	233	5,166	55,216	595,152	498,435
1978	185,862	115,541	70,321	155,655	49,139	106,516	344	-15,682	9,716	6,303	5,182	1,121	7,507	77,820	753,434	637,893
1979	235,004	166,207	68,797	168,709	34,511	134,198	330	-1,320	12,648	11,064	11,058	6	11,252	110,722	1,002,116	835,909
1980	309,222	211,047	98,175	222,990	50,946	172,044	366	10,351	24,219	14,012	12,783	1,229	13,660	159,371	1,315,863	1,104,816
1981	335,275	242,899	92,376	256,350	69,646	186,704	917	17,649	32,576	12,879	12,879	0	19,287	206,874	1,673,004	1,430,105
1982	376,594	295,533	81,061	319,453	82,674	236,779	1,225	20,858	26,150	10,841	9,638	1,203	22,250	272,766	2,105,971	1,810,438
1983	448,163	370,564	77,599	363,252	83,889	279,363	1,362	41,038	26,806	8,124	8,148	-24	25,694	334,565	2,578,780	2,208,216
1984	597,852	451,834	146,018	500,970	106,469	394,501	1,542	93,627	1,903	10,482	10,371	111	33,791	425,631	3,185,841	2,734,007
1985	847,281	605,276	242,005	694,541	142,593	551,948	1,503	89,875	8,696	16,830	15,123	1,707	35,170	531,264	4,050,869	3,445,593
1986	1,493,081	939,347	553,734	1,041,483	203,690	837,793	5,771	253,989	-46,347	15,400	9,693	5,707	39,206	665,814	5,418,516	4,479,169
1987	1,849,889	1,183,052	666,837	1,378,948	302,782	1,076,166	14,422	215,690	-20,779	18,935	8,721	10,214	43,152	868,383	7,102,547	5,919,495
1988	2,639,913	1,724,906	915,007	1,809,649	496,122	1,313,527	29,675	416,923	-40,387	-41	-10,622	10,581	59,092	1,182,370	9,438,433	7,713,527
1989	3,164,889	1,910,012	1,254,877	2,299,915	633,466	1,666,449	46,778	682,028	-23,219	10,083	12,586	-2,503	70,597	1,596,555	11,852,584	9,942,572
1990	4,321,736	2,569,739	1,751,997	2,984,756	885,216	2,099,540	56,823	1,069,192	-63,903	4,065	8,865	-4,800	108,831	2,076,459	15,839,997	13,270,258
1991	5,919,876	3,165,007	2,754,869	4,380,096	1,769,741	2,610,355	125,805	1,264,403	26,937	43,252	24,634	18,618	149,473	2,684,541	20,512,952	17,347,945
1992	6,368,732	3,104,180	3,264,552	5,557,745	2,149,578	3,408,167	111,564	1,670,923	121,029	164,235	144,226	20,009	172,712	3,965,104	26,182,085	23,077,905
1993	8,581,504	4,567,375	4,014,129	7,606,061	2,561,716	5,044,345	105,140	1,978,462	-95,709	21,877	29,299	-7,422	283,346	5,108,076	35,021,170	30,453,795

1/ Public saving is constructed as the difference between income and expenditure of the public sector. Taxes paid by the public sector are not considered as part of its income.

2/ GOS represents Gross Operating Surplus.

3/ It is mainly constituted by net dividends, interests and rents from real estate and land property.

4/ Transfers received by the public sector include net insurance compensation payments, insurance premiums, contributions to social security, social security loans, fines and sanctions, and other net transfers.



## **ANNEX 2**

TABLE II-A  
COSTS AND STOCKS OF EXTERNAL AND DOMESTIC DEBT AND COMPONENTS OF TOTAL EXTERNAL NET TRANSFERS.

YEAR	STOCK OF INTERNAL PUBLIC DEBT					COSTS OF INTERNAL PUBLIC DEBT					STOCK OF EXTERNAL DEBT			EXTERNAL DEBT SERVICE 8/			ONFS 9/	TR <sub>90</sub> <sup>a</sup>	IR <sub>90</sub> <sup>a</sup>
	TOTAL	DEBT ISSUED BY GOVERNMENT	CERTIFICADOS DE CAMBIO	TITULOS DE CANCELACION	TITULOS PARTICIPACION	TOTAL	DEBT ISSUED BY GOVERNMENT	CERTIFICADOS DE CAMBIO	TITULOS DE CANCELACION	TITULOS PARTICIPACION	TOTAL	PRIVATE	PUBLIC	TOTAL	PRIVATE	PUBLIC			
	MILL PESOS	MILL PESOS	MILL PESOS	MILL PESOS	MILL PESOS	MILL PESOS	MILL PESOS	MILL PESOS	MILL PESOS	MILL PESOS	MILL USD	MILL USD	MILL USD	MILL PESOS	MILL PESOS	MILL PESOS			
1950	238	238	0	0	0						682	548	134					0	2
1951	227	227	0	0	0	27	27	0	0	0	750	675	75	45	33	15	-44	1	3
1952	222	222	0	0	0	27	22	0	0	0	821	612	209	54	43	11	-23	2	4
1953	252	252	0	0	0	22	22	0	0	0	854	653	201	76	49	30	-3	0	-5
1954	242	242	0	0	0	24	24	0	0	0	990	780	209	67	50	17	-6	0	-5
1955	284	284	0	0	0	25	25	0	0	0	1,056	839	217	129	100	29	49	9	-2
1956	261	261	0	0	0	26	26	0	0	0	1,185	954	235	183	157	26	102	0	-10
1957	274	274	0	0	0	25	25	0	0	0	1,124	741	383	268	253	15	22	28	-10
1958	328	328	0	0	0	27	27	0	0	0	1,049	651	398	322	215	107	-114	13	23
1959	370	370	0	0	0	33	33	0	0	0	1,067	707	360	374	224	150	44	15	4
1960	397	397	0	0	0	39	39	0	0	0	1,097	792	305	338	236	102	30	15	-14
1961	498	498	0	0	0	46	46	0	0	0	1,123	790	333	418	296	122	11	25	-19
1962	794	794	0	0	0	55	55	0	0	0	1,252	812	440	486	297	189	-32	30	-20
1963	1,298	1,298	0	0	0	105	105	0	0	0	1,399	890	509	414	170	243	-598	97	90
1964	730	730	0	0	0	160	160	0	0	0	1,538	941	597	597	229	368	-367	98	55
1965	830	830	0	0	0	115	115	0	0	0	1,584	935	649	914	364	551	-382	312	72
1966	2,132	2,132	0	0	0	159	159	0	0	0	1,755	1,018	737	953	369	584	-483	176	-3
1967	1,822	1,822	0	0	0	403	403	0	0	0	1,897	1,056	841	1,006	465	631	-399	314	0
1968	2,605	2,605	0	0	0	302	302	0	0	0	2,119	1,132	987	1,059	400	658	-979	466	52
1969	4,031	4,031	0	0	0	331	331	0	0	0	2,341	1,208	1,133	1,273	517	756	-1,449	612	64
1970	3,864	3,864	0	0	0	504	504	0	0	0	2,694	1,375	1,319	1,494	664	830	-1,817	695	-216
1971	3,203	3,203	200	0	0	587	587	0	0	0	3,029	1,557	1,472	1,834	777	1,058	-1,685	704	-26
1972	5,086	4,886	200	0	0	537	520	18	0	0	3,317	1,591	1,726	2,383	1,028	1,356	-1,989	531	234
1973	7,181	7,081	100	0	0	936	923	13	0	0	3,527	1,505	2,022	3,286	1,465	1,820	-2,026	533	294
1974	10,949	10,449	500	0	0	1,838	1,799	39	0	0	3,935	1,715	2,220	4,926	2,346	2,580	-1,223	843	591
1975	7,953	7,753	200	0	0	2,687	2,633	53	0	0	4,072	1,602	2,470	6,310	2,691	3,619	-1,727	552	933
1976	12,856	12,556	300	0	0	2,203	2,179	24	0	0	4,290	1,728	2,562	7,287	3,539	3,748	-3,577	412	1,358
1977	25,690	12,290	13,400	0	0	3,625	3,352	273	0	0	4,243	1,484	2,779	7,646	2,427	5,221	-1,744	233	1,458
1978	24,514	11,614	12,900	0	0	4,581	3,540	1,041	0	0	4,480	1,584	2,896	9,968	3,244	6,723	-798	1,121	1,733
1979	29,266	16,266	13,000	0	0	4,799	3,879	919	0	0	5,277	1,821	3,456	14,637	4,868	9,829	-3,115	6	4,334
1980	33,169	18,244	13,372	1,553	0	7,788	5,739	1,991	58	0	6,580	2,256	4,324	22,647	9,220	13,428	-9,125	1,229	6,572
1981	366,038	19,049	18,089	328,920	0	9,454	6,809	2,317	329	0	8,133	2,901	5,232	40,214	18,309	21,905	-13,005	0	13,187
1982	1,225,964	21,486	34,393	1,170,085	0	12,870	7,239	4,461	1,170	0	9,725	3,647	6,078	61,014	24,967	36,147	-12,682	1,203	9,628
1983	2,811,979	32,126	23,622	2,756,231	0	16,975	7,739	6,908	2,756	0	10,667	3,789	6,878	73,892	29,336	44,556	-2,234	24	12,957
1984	2,103,254	37,818	32,333	2,033,103	0	20,109	11,168	6,908	2,033	0	11,689	3,840	7,849	94,771	32,262	62,508	-34,468	111	30,034
1985	4,176,690	125,587	76,095	3,975,008	0	38,464	13,328	21,161	3,975	0	13,209	3,614	9,595	161,095	47,958	113,136	-46,255	1,707	63,898
1986	7,412,359	158,591	37,186	7,178,591	37,991	60,727	39,234	14,314	7,179	0	15,781	3,318	12,463	230,198	54,004	176,194	-72,188	5,707	146,787
1987	10,732,116	171,451	20,806	10,457,334	82,525	76,906	49,187	5,558	10,457	11,783	17,286	3,444	13,842	311,511	45,125	266,386	-117,982	10,214	232,639
1988	13,486,645	201,598	26,130	13,176,383	82,525	104,983	58,159	5,654	13,176	27,994	17,824	3,801	13,823	403,580	61,629	341,951	-80,358	10,581	277,819
1989	20,551,093	249,342	45,523	20,182,469	73,759	123,036	66,623	8,958	20,182	27,272	17,147	3,312	13,835	584,189	130,070	454,099	-231,726	-2,503	395,696
1990	28,083,997	313,875	67,170	27,451,883	251,069	156,678	88,124	15,032	27,452	26,068	17,813	3,027	14,586	795,580	142,642	652,938	-279,910	-4,800	520,621
1991	7,155,588	264,553	385,998	5,548,692	958,345	238,047	115,148	25,246	5,547	92,107	18,996	2,532	14,464	915,639	127,939	787,700	-302,871	18,618	1,045,656
1992	4,584,320	830,000	1,215,741	2,018,887	499,692	437,255	69,952	111,882	2,019	253,402	16,743	3,256	13,487	886,850	131,939	754,911	-395,000	20,008	1,158,536
1993	2,630,142	1,027,100	337,257	350,120	915,666	408,649	212,065	68,562	350	127,671	18,314	5,056	13,258	936,841	190,357	746,483	-151,859	-7,422	1,037,613

- Between 1950 and 1982 corresponds to the National Government's internal debt, excluding the Central Bank's financing. Between 1983 and 1992 the bonds called Titulos de Ahorro Nacional (TAN) were also excluded if they were bought by the public sector. In 1993 it corresponds to the stock of debt of the public sector with the private sector. The latter is calculated by the Research Department of El Banco de la República.
- It is calculated as the previous period's stock of debt issued by the public sector and held by the private sector, multiplied by the nominal interest rate of the present period.
- The "Certificados de Cambio" are bonds issued by the Colombian Central Bank and denominated in US dollars. The cost of these bonds for the Central Bank was calculated as:  

$$\text{cost} = (\text{Stock of bonds in } t-1) \times (\text{annual change of nominal exchange rate}) + (\text{change in stock of bonds}) \times (\text{annual change of nominal exchange rate}/2)$$
It was assumed a linear behavior of the exchange rate and the stock of "certificados" and that these bonds were redeemed or purchased in the middle of the period.
- These bonds are also issued by the Central Bank and are also denominated in US dollars. The holders receive the devaluation plus an interest rate. It was assumed a linear behavior of the exchange rate and the stock of "certificados" and that these bonds were redeemed or purchased in the middle of the period. According to 8672/86 of the monetary board an annual interest rate of 6.5% was assumed. The cost was calculated as:  

$$\text{cost} = (\text{stock of bonds in } t-1) \times (\text{annual change in nominal exchange rate}) \times (i+1) + (\text{change in stock of bonds}) \times (\text{annual change in nominal exchange rate}/2) \times (i+1)/2$$
*i* is the interest rate.
- These bonds are also issued by the Central Bank. Its cost is calculated as the stock of bonds in *t-1* multiplied by the interest rate of the current period, actual.
- For the period 1970-1993 the stock is taken from "Deuda Externa de Colombia 1970-1995", Bulletin, Research Department, Banco de la República. In order to build the stock of private external debt of the period 1950-1969, the changes in private external debt presented in the Balance of Payments were subtracted from the stock of the following period, starting in 1970 and going backwards. The following headings of external debt were included: long term loans, short term liabilities of the private sector excluding banking institutions. Among the heading "official and banking institutions" this items were included: other loans, repayment and others (from the long term liability item) and liabilities with banking correspondents, and other loans (from the short term liability heading).
- From 1950 to 1989, the data are taken from Ocampo and Lora (1988). Since 1970, the series are taken from "Deuda Externa de Colombia 1970-1995", Bulletin, Research Department, Banco de la República.
- For the period 1963-1993 the interests paid on external private and public debt were taken from the archives of the Balance of Payment division of El Banco de la República. During 1950-1963 that information does not specify if the interests paid correspond to the public and/or private sectors. It was assumed that they were paid by the public sector since in 1960, 1981 and 1982 the decomposition did not include private sector payments. During 1950-1962 the interests paid on external private debt were calculated as the stock of debt in *t-1* multiplied by the average prime rate in *t*.
- Other Net Factor Payments: External Net Transfers (NFS) minus total external debt service and the external net transfers (TR\*) to the private and public sectors.

**TABLE II-B**  
**VARIABLES USED IN THE CONSTRUCTION OF NET CAPITAL GAINS**

YEAR	INTEREST RATES						EXCHANGE RATES		CONSUMER PRICE INDEX			NOMINAL CASH /7
	NOMINAL COLOMBIAN /1	REAL COLOMBIAN /2	NOMINAL INTERNATIONAL /3	REAL INTERNACIONAL /2	IMPLICIT EXTERNAL DEBT		NOMINAL AVERAGE /5	REAL	COLOMBIA END OF	COLOMBIA AVERAGE	INDUSTRIAL COUNTRIES /6	
					PRIVATE /4	PUBLIC /4						
1950	11.5		2.1	0.0	0.0		2.0	26.8	7.2	7.2	36.0	464
1951	11.5	9.7	2.6	-6.6	2.6	4.8	2.4	34.3	7.3	7.3	40.0	513
1952	9.8	1.0	3.0	-0.9	3.0	2.5	2.5	35.9	7.9	7.9	41.0	602
1953	9.7	-1.0	3.2	2.1	3.2	5.7	2.5	33.9	8.8	8.8	42.0	692
1954	9.7	5.4	3.1	2.0	3.1	3.4	2.5	32.6	9.1	9.6	42.0	754
1955	10.5	8.1	3.2	2.8	3.2	3.4	4.0	31.7	9.3	9.6	42.0	778
1956	9.8	1.8	3.8	1.5	3.8	2.4	5.0	29.9	10.0	10.2	43.0	940
1957	9.6	-8.8	4.2	1.0	4.2	1.0	6.3	39.6	12.1	11.8	45.0	1,167
1958	9.9	1.7	3.8	0.3	3.8	3.7	7.8	57.0	13.1	13.3	46.0	1,363
1959	10.0	2.0	4.5	3.0	4.5	4.9	7.7	57.2	14.1	14.5	47.0	1,493
1960	10.5	3.1	4.8	2.9	4.8	4.1	6.9	63.2	15.1	15.3	48.0	1,611
1961	11.6	5.4	4.5	2.5	4.5	4.8	8.3	60.4	16.0	16.6	49.0	1,850
1962	11.1	4.4	4.5	1.7	4.5	6.8	8.4	61.3	17.0	17.4	50.0	2,144
1963	13.2	-14.6	4.5	1.6	2.1	5.5	10.0	64.7	22.5	21.9	51.0	2,560
1964	12.3	3.1	4.5	1.9	2.5	6.9	10.5	54.5	24.6	25.5	53.0	3,122
1965	15.7	1.0	4.5	1.4	2.3	5.5	16.9	51.6	28.1	27.5	54.0	3,613
1966	19.2	5.5	5.6	2.1	2.3	5.3	17.0	67.9	31.8	32.1	56.0	4,140
1967	18.9	10.8	5.6	2.7	2.8	5.3	16.3	68.4	34.1	34.9	58.0	4,781
1968	16.6	9.4	6.3	2.3	2.3	4.8	16.4	72.7	36.3	37.5	60.0	5,577
1969	12.7	3.8	8.0	3.2	2.6	4.4	17.4	74.7	39.5	40.1	63.0	6,594
1970	12.5	5.4	7.9	2.2	3.0	4.0	18.4	76.4	42.1	42.9	66.0	7,913
1971	15.2	1.4	5.7	0.4	2.8	4.0	19.9	80.0	47.9	47.8	70.0	8,709
1972	17.3	2.9	5.3	0.4	3.0	4.2	21.9	80.6	54.6	54.2	73.0	10,914
1973	18.9	-3.7	8.0	0.1	3.9	4.5	23.6	79.2	67.4	65.5	79.0	12,851
1974	25.4	-0.5	10.8	-2.3	6.0	4.9	26.1	76.1	85.0	81.4	90.0	16,174
1975	25.2	6.4	7.9	-3.2	5.1	5.3	30.9	78.5	100.0	100.0	100.0	21,090
1976	28.1	1.9	6.8	-1.6	6.4	4.4	34.7	74.9	125.7	120.2	109.0	28,943
1977	26.7	-1.3	6.8	-1.9	3.8	5.5	36.8	67.3	161.3	160.0	118.0	40,807
1978	28.8	8.4	9.1	1.4	5.7	6.2	39.1	67.1	191.6	188.4	127.0	53,698
1979	33.4	3.6	12.7	2.8	7.1	8.0	42.6	64.1	246.8	234.9	139.0	67,113
1980	35.3	7.4	15.3	2.6	10.7	8.2	47.3	65.5	310.9	297.2	157.0	78,797
1981	37.3	8.7	18.9	7.6	14.9	9.3	54.5	64.0	392.8	378.9	173.0	101,016
1982	38.0	11.3	14.9	6.7	13.4	10.8	64.1	59.4	487.2	472.0	186.0	129,171
1983	33.7	14.6	10.8	5.3	10.2	9.3	78.9	57.8	568.2	565.1	196.0	166,118
1984	34.8	13.9	12.0	6.7	8.5	9.0	100.8	62.7	672.1	656.4	206.0	208,784
1985	35.2	10.5	9.9	5.3	8.8	10.1	142.3	71.7	823.0	814.2	215.0	263,704
1986	31.2	8.5	8.4	5.6	7.7	9.5	194.3	85.1	995.4	967.9	220.0	310,455
1987	31.0	5.6	8.2	4.9	5.6	8.8	242.6	87.3	1,234.5	1,193.4	227.0	411,742
1988	33.9	4.5	9.3	5.6	6.0	8.3	299.2	87.4	1,581.7	1,528.8	235.0	520,874
1989	33.1	5.5	10.9	6.0	9.0	8.6	382.6	89.1	1,994.8	1,924.2	246.0	642,738
1990	35.3	2.3	10.0	4.6	8.6	9.4	502.3	100.0	2,640.5	2,485.0	259.0	817,306
1991	36.7	7.8	8.5	3.9	6.7	8.6	627.2	97.1	3,348.7	3,239.9	270.0	1,032,513
1992	26.4	1.0	6.3	3.0	7.7	7.7	680.1	92.2	4,190.5	4,115.4	278.0	1,406,546
1993	25.6	2.4	6.0	3.1	7.4	7.0	786.6	92.7	5,137.9	5,038.9	286.0	1,748,459

1/ Colombian Nominal Interest Rate. From 1950 to 1979 was taken from: Carrizosa (1985) "Las Tasas de Interés y el Ahorro Financiero en Colombia". Banca y Finanzas, 139, pp.30-112, Bogotá. From 1980 to 1993 is the average annual rate of bonds of 90 days of maturity issued by banks and financial corporations. These bonds are known as CDT.

2/ It was constructed using the nominal average interest rate and the annual average inflation.

3/ Nominal average Prime rate. Source: Financial Statistics, IMF.

4/ Implicit interest rate of external debt. It is constructed as external debt service due to interest payments in  $t$  divided by the stock of debt in  $t-1$ .

5/ It refers to average rate. During 1950-1955 it is the so called selling rate of El Banco de la República. For the period 1955-1967 it is the selling rate of the so called capital market. For 1968 and 1969 it is again the selling rate of El Banco de la República. For the period 1970-1991 it is the buying rate of the official market. Since 1991 it is the so called "Tasa Representativa de Mercado".

6/ Consumer Price Index of Industrial Countries. Source: Financial Statistics, IMF.

7/ This aggregate was used as a proxy of base money held by the private sector.

TABLE II-C  
NET CAPITAL GAINS

(Millions of Pesos)

YEAR	PRIVATE SECTOR					PUBLIC SECTOR			EXTERNAL SECTOR		
	DISPOSABLE INCOME	ADJUSTED DISPOSABLE INCOME	SAVING	ADJUSTED SAVING	NET CAPITAL GAINS /1	SAVING	ADJUSTED SAVING	NET CAPITAL GAINS /2	EXTERNAL SAVING	ADJUSTED SAVING	NET CAPITAL GAINS
1951	8,073	7,858	1,000	786	-230	392	305	-72	-10	293	302
1952	8,715	8,735	1,108	1,128	9	426	467	52	-17	-78	-61
1953	9,659	9,783	1,262	1,388	95	433	536	132	-27	-255	-227
1954	11,427	11,582	1,553	1,708	138	595	640	82	29	-171	-200
1955	11,815	10,665	1,460	810	-1,178	631	285	-317	330	1,826	1,495
1956	13,395	12,763	1,975	1,344	-658	649	507	-117	125	899	774
1957	16,080	15,366	2,876	1,162	-729	760	790	45	-44	640	684
1958	18,409	18,091	3,154	2,836	-426	1,002	807	-88	-229	285	514
1959	21,109	21,508	3,524	4,023	249	1,231	1,400	319	396	-964	-568
1960	23,929	24,824	4,013	4,908	793	1,269	1,688	521	304	-1,010	-1,314
1961	27,417	26,832	4,456	3,871	-708	1,060	764	-173	924	1,806	881
1962	31,233	31,605	5,105	5,476	183	533	703	259	774	332	-442
1963	39,596	39,210	6,021	5,635	-629	829	1,488	1,103	1,326	852	-474
1964	48,326	49,437	6,167	7,278	743	1,978	2,532	922	1,617	-48	-1,665
1965	54,639	49,045	8,399	2,804	-6,145	2,240	-1,260	-2,948	283	9,377	9,093
1966	65,079	67,255	8,306	10,481	1,591	3,504	4,943	2,023	3,481	-133	-3,614
1967	73,092	75,409	10,469	12,786	1,685	4,383	5,257	1,505	745	-2,446	-3,190
1968	84,117	85,213	12,243	13,339	438	5,703	5,845	800	2,801	1,562	-1,238
1969	94,757	94,405	11,718	11,366	-1,108	8,036	7,111	-169	3,340	4,617	1,277
1970	110,952	110,736	14,979	14,763	-1,045	6,701	5,302	-569	5,182	6,796	1,614
1971	129,850	130,181	14,593	14,924	725	6,120	6,161	1,098	9,553	9,181	-372
1972	161,298	162,316	24,115	25,133	-338	6,555	6,770	1,561	3,691	2,468	-1,223
1973	206,256	208,890	35,050	37,684	814	9,409	12,938	5,349	-34	-6,197	-6,163
1974	275,148	278,517	45,365	48,734	788	15,412	18,714	5,882	8,393	1,722	-6,671
1975	339,799	342,894	46,560	49,655	-524	22,581	20,487	-1,525	-303	-1,304	-1,001
1976	440,905	445,691	62,713	67,499	1,038	38,589	41,553	6,711	-7,821	-15,570	-7,749
1977	595,152	610,227	96,717	111,792	9,854	57,960	78,688	25,950	-20,407	-56,210	-35,803
1978	753,434	763,564	115,541	125,671	3,406	70,321	73,052	9,455	-19,569	-32,430	-12,861
1979	1,002,116	1,013,815	166,207	177,906	1,870	68,797	75,285	16,317	-19,222	-37,409	-18,187
1980	1,315,863	1,335,537	211,047	230,721	6,246	98,175	97,700	12,953	-8,105	-27,304	-19,199
1981	1,673,004	1,702,499	242,899	272,394	7,590	92,376	73,807	3,336	73,652	62,727	-10,925
1982	2,105,971	2,153,474	295,533	343,036	11,356	81,061	47,855	2,941	135,031	120,735	-14,296
1983	2,578,780	2,623,478	370,564	415,262	142	77,599	3,224	-29,819	159,403	189,079	29,676
1984	3,185,841	3,206,296	451,834	472,289	-42,053	146,018	-15,884	-99,394	133,548	274,995	141,447
1985	4,050,869	4,115,553	605,276	689,960	-48,453	242,005	-27,314	-156,183	98,268	302,903	204,635
1986	5,418,516	5,520,628	939,347	1,041,459	-74,082	553,734	109,410	-268,130	-271,170	71,042	342,212
1987	7,102,547	7,367,312	1,183,052	1,447,817	-1,620	666,837	338,743	-61,708	-85,229	-21,901	63,328
1988	9,438,433	9,834,360	1,724,906	2,120,833	53,976	915,007	543,676	70,620	-60,220	-184,816	-124,596
1989	11,852,584	12,319,072	1,910,012	2,376,500	12,389	1,254,877	538,823	-261,956	-143,213	106,353	249,566
1990	15,839,997	16,506,708	2,569,739	3,236,450	13,773	1,751,997	872,211	-226,848	-570,081	-357,006	213,075
1991	20,512,952	21,498,777	3,165,007	4,150,832	198,125	2,754,869	2,242,488	275,319	-1,755,483	-2,228,927	-473,444
1992	26,182,085	27,623,472	3,104,180	4,545,567	686,476	3,264,552	3,995,617	1,485,976	-605,462	-2,777,914	-2,172,452
1993	35,021,170	36,168,181	4,567,375	5,714,386	400,528	4,014,129	3,785,376	517,730	718,359	-199,899	-918,258

1/ Net Capital Gains can be derived as the difference between adjusted private disposable income and unadjusted private disposable income. The unadjusted measure can be derived from the National Accounts. However, this measure is underestimated because interests paid in total external debt are subtracted from private disposable income. Therefore, interests paid on external public debt should be subtracted from the unadjusted measure derived from the National Accounts to obtain the net capital gains presented in this table.

2/ Net Capital Gains of the Public sector can be derived as the difference between the adjusted measure of saving and that presented in the National Accounts. However, interests paid on external public debt should be subtracted from the latter to obtain the net capital gains of the public sector presented in this table.

TABLE II-D  
PRIVATE SAVING COMPONENTS

(Millions of Pesos)

YEAR	TOTAL PRIVATE SAVING	HOUSEHOLDS								CORPORATIONS								
		SAVING /1	DISPOSABLE INCOME					CONSUMPTION	DEPRECIATION OF CAPITAL ASSETS	SAVING /1	CAPITAL INCOME				GROSS OPERATING SURPLUS	TRANSFERS FROM PUBLIC SECTOR	DIRECT TAXES	DEPRECIATION CAPITAL ASSETS
			TOTAL	LABOR INCOME	GROSS OPERATING SURPLUS	TRANSFERS FROM PUBLIC SECTOR	DIRECT TAXES				TOTAL	INTERESTS	DIVIDENDS	RENTS				
1950	1,070	909	6,639	2,706	4,004	7	231	6,145	415	161	-127	N.D.	N.D.	N.D.	351	N.D.	136	73
1951	1,001	782	7,386	3,075	4,393	8	267	7,072	468	219	-153	N.D.	N.D.	N.D.	412	N.D.	171	131
1952	1,107	891	7,969	3,248	4,839	10	363	7,607	529	216	-193	N.D.	N.D.	N.D.	458	N.D.	177	128
1953	1,262	1,002	8,828	3,687	5,317	11	556	8,397	571	260	-187	N.D.	N.D.	N.D.	488	N.D.	169	148
1954	1,553	1,171	10,436	4,260	6,409	4	722	9,874	609	382	-363	N.D.	N.D.	N.D.	735	N.D.	189	199
1955	1,459	982	10,713	4,636	6,319	25	775	10,356	624	477	-546	N.D.	N.D.	N.D.	962	N.D.	242	303
1956	1,975	1,441	12,073	5,040	7,323	27	968	11,420	788	554	-427	N.D.	N.D.	N.D.	991	N.D.	232	292
1957	2,877	2,091	14,089	5,908	8,504	29	1,082	13,204	1,207	786	-493	N.D.	N.D.	N.D.	1,107	N.D.	282	453
1958	3,155	1,018	15,474	6,821	8,890	44	1,158	15,256	799	2,137	-649	N.D.	N.D.	N.D.	1,455	N.D.	347	1,678
1959	3,624	1,449	17,901	8,011	10,333	7	1,353	17,486	1,033	2,175	-737	N.D.	N.D.	N.D.	1,803	N.D.	442	1,550
1960	4,014	1,588	20,431	9,355	11,598	-21	1,460	19,916	1,073	2,426	-847	N.D.	N.D.	N.D.	2,192	N.D.	548	1,639
1961	4,457	2,328	23,800	11,056	13,243	-3	1,391	22,361	1,489	2,129	-969	N.D.	N.D.	N.D.	2,315	N.D.	579	1,362
1962	5,105	2,976	27,247	13,030	14,668	90	1,442	26,128	1,857	2,129	-970	N.D.	N.D.	N.D.	2,361	N.D.	590	1,328
1963	6,021	1,993	34,195	16,872	17,914	169	1,994	33,575	1,373	4,028	-1,239	N.D.	N.D.	N.D.	3,322	N.D.	831	2,776
1964	6,166	1,377	42,559	19,646	23,749	156	2,771	42,159	977	4,791	-1,533	N.D.	N.D.	N.D.	4,178	N.D.	1,253	3,399
1965	8,399	4,088	47,856	22,673	26,013	178	2,750	46,240	2,472	4,311	-1,255	N.D.	N.D.	N.D.	4,227	N.D.	1,268	2,607
1966	8,306	335	56,587	27,200	30,466	133	3,333	56,774	522	7,971	1,455	N.D.	N.D.	N.D.	5,076	N.D.	1,523	5,872
1967	10,469	4,000	63,861	31,567	33,939	-26	4,333	62,623	2,762	6,469	-1,796	N.D.	N.D.	N.D.	5,668	N.D.	1,871	4,467
1968	12,243	5,007	73,501	35,629	39,279	598	5,519	71,874	3,380	7,236	2,135	N.D.	N.D.	N.D.	6,696	N.D.	2,210	4,885
1969	11,718	869	82,432	42,560	42,310	300	7,258	83,039	1,476	10,849	3,015	N.D.	N.D.	N.D.	9,219	N.D.	3,042	7,687
1970	14,979	9,436	105,409	51,858	56,345	324	3,118	95,973	N.D.	5,543	9,202	-1,625	-8,952	-625	18,758	-845	3,168	N.D.
1971	14,593	7,867	123,124	61,889	65,433	86	4,284	115,257	N.D.	6,725	-10,972	-2,409	-7,924	-639	22,888	-944	4,246	N.D.
1972	24,115	16,747	153,930	74,407	83,397	294	4,168	137,183	N.D.	7,368	-15,624	-2,954	-12,015	-655	28,737	-1,576	4,169	N.D.
1973	35,050	24,756	195,962	91,973	109,158	460	5,629	171,206	N.D.	10,294	-21,534	-4,379	-16,429	-726	39,250	-1,861	5,561	N.D.
1974	45,365	29,925	259,708	119,962	146,787	519	7,561	228,783	N.D.	15,440	-28,278	-5,066	-22,501	-711	55,279	-2,624	7,437	N.D.
1975	46,560	32,241	325,480	153,365	182,415	295	10,002	293,239	N.D.	14,319	-35,107	-8,369	-26,955	-783	63,702	4,262	10,038	N.D.
1976	62,713	42,174	420,366	197,734	235,504	446	12,426	378,192	N.D.	20,539	-46,417	-10,483	-36,020	-914	83,801	-4,171	12,674	N.D.
1977	96,717	71,217	569,657	265,905	315,260	213	11,732	498,435	N.D.	25,500	-59,292	-12,928	-46,342	-1,022	101,579	-4,418	12,369	N.D.
1978	115,541	81,506	719,401	361,746	383,270	363	25,980	637,893	N.D.	34,033	-67,245	-17,505	-48,495	-1,245	135,406	-11,315	22,915	N.D.
1979	166,207	111,354	947,253	497,616	474,595	2,577	12,375	835,908	N.D.	54,852	-75,326	-20,795	-32,851	-679	159,652	-7,667	21,606	N.D.
1980	211,047	141,982	1,246,796	657,977	612,923	-3,665	20,450	1,134,816	N.D.	68,065	-109,270	-32,464	-75,809	-897	216,083	-7,618	30,130	N.D.
1981	242,899	159,483	1,589,588	849,257	769,075	2,431	31,175	1,430,105	N.D.	83,416	-142,973	-53,471	-87,813	-1,689	272,428	-8,485	37,554	N.D.
1982	295,533	203,406	2,013,844	1,078,009	968,206	5,134	37,555	1,810,439	N.D.	92,127	-188,468	-72,340	-112,785	-2,743	338,526	-14,037	43,894	N.D.
1983	370,564	262,213	2,470,429	1,337,317	1,155,259	6,140	30,289	2,208,216	N.D.	108,351	-213,632	-90,551	-119,359	-3,722	390,057	-15,835	52,232	N.D.
1984	451,834	319,645	3,053,652	1,668,850	1,401,999	23,153	40,330	3,734,007	N.D.	132,189	-249,228	-143,958	-101,796	-3,572	466,913	-20,899	64,597	N.D.
1985	605,276	352,722	3,798,315	2,007,439	1,793,919	53,335	56,378	3,445,590	N.D.	252,594	-354,653	-218,130	-131,922	-4,601	730,121	-38,203	84,711	N.D.
1986	939,347	544,784	5,023,953	2,562,680	2,390,513	147,421	76,234	4,479,160	N.D.	394,563	-445,884	-253,627	-189,182	-3,075	1,026,864	-64,732	121,685	N.D.
1987	1,183,052	620,275	6,539,770	3,332,987	3,075,348	239,121	108,665	5,819,405	N.D.	562,777	-573,130	-328,989	-241,168	-2,973	1,434,963	-119,382	179,674	N.D.
1988	1,724,806	897,687	8,611,214	4,459,926	3,976,717	308,715	134,144	7,713,527	N.D.	827,215	-666,263	-338,027	-316,802	-11,434	1,964,755	-138,960	332,305	N.D.
1989	1,910,012	992,631	10,935,203	5,777,454	4,958,424	363,286	163,961	9,342,573	N.D.	917,381	-941,577	-489,399	-442,046	-10,132	2,540,558	-258,883	422,727	N.D.
1990	2,569,739	1,326,413	14,586,671	7,528,288	6,738,189	537,280	207,060	13,270,258	N.D.	1,243,328	-1,245,024	-640,066	-575,488	-28,870	3,504,481	-384,824	631,307	N.D.
1991	3,165,007	2,382,510	19,730,455	9,780,269	9,207,968	1,101,427	359,208	17,347,948	N.D.	792,497	-1,652,436	-802,548	-797,856	-52,034	4,226,925	-507,265	1,284,727	N.D.
1992	3,104,180	2,192,233	25,270,136	13,438,013	10,201,751	2,046,225	116,158	23,077,905	N.D.	911,947	-1,944,027	-820,180	-1,069,116	-54,731	5,130,193	-652,363	1,621,836	N.D.
1993	4,567,375	2,627,037	33,080,827	17,451,836	14,413,365	1,789,667	574,041	30,455,795	N.D.	1,940,341	-2,149,001	-721,622	-1,306,284	-121,050	6,784,402	-790,549	1,904,509	N.D.

1/ For the period 1950-1969 the private saving measure presented in this table is a measure of gross saving. For those years, the gross measure of household saving is obtained by adding the depreciation of household's capital assets to the difference between households's disposable income and consumption.

TABLE II-E  
DECOMPOSING INTERNAL PRIVATE CONSUMPTION

YEAR	INTERNAL CONSUMPTION		TRADABLE GOODS		NON-TRADABLE GOODS		DURABLE GOODS		NON-DURABLE GOODS	
	Millions of pesos /1	Millions of pesos of 1975 /1	Millions of pesos	Millions of pesos of 1975	Millions of pesos	Millions of pesos of 1975	Millions of pesos	Millions of pesos of 1975	Millions of pesos	Millions of pesos of 1975
1965	45,086	168,362	22,643	87,563	22,443	80,799	1,898	7,317	43,188	161,045
1966	56,141	180,319	29,428	94,948	26,713	85,371	2,575	8,112	53,566	172,207
1967	62,149	184,146	33,146	96,000	29,003	88,146	2,670	7,971	59,479	176,175
1968	71,356	196,421	36,238	102,299	35,118	94,122	3,223	8,704	68,133	187,717
1969	82,441	211,216	41,841	111,664	40,600	99,552	3,999	9,989	78,442	201,227
1970	95,327	224,576	47,921	116,406	47,406	108,170	5,003	11,235	90,324	213,341
1971	114,839	241,733	56,389	124,708	58,450	117,025	6,117	12,916	108,722	228,817
1972	136,233	255,956	65,613	127,773	70,620	128,183	7,023	13,181	129,210	242,775
1973	170,228	268,183	85,488	134,210	84,740	133,973	8,695	13,484	161,533	254,699
1974	228,521	284,365	128,782	141,435	99,739	142,930	12,482	15,138	216,039	269,227
1975	292,779	292,779	144,666	144,666	148,113	148,113	15,830	15,830	276,949	276,949
1976	378,334	313,190	186,634	156,241	191,700	156,949	19,991	16,432	358,343	296,758
1977	500,287	325,847	269,601	159,788	230,686	166,059	26,695	17,339	473,592	308,508
1978	639,659	353,212	304,150	172,639	335,509	180,573	36,356	19,965	603,303	333,247
1979	841,255	368,439	388,687	178,301	452,568	190,138	47,886	21,271	793,369	347,168
1980	1,108,836	384,698	512,615	186,837	596,221	197,861	62,997	23,145	1,045,839	361,553
1981	1,437,696	395,910	656,883	190,966	780,813	204,944	77,632	22,892	1,360,064	373,018
1982	1,819,744	402,179	823,475	190,439	996,269	211,740	99,308	23,912	1,720,436	378,267
1983	2,196,935	403,572	973,054	188,841	1,223,881	214,731	112,922	22,826	2,084,013	380,746
1984	2,721,889	415,128	1,216,997	193,777	1,504,892	221,351	146,462	23,985	2,575,427	391,143
1985	3,425,385	422,917	1,569,125	198,535	1,856,260	224,382	176,514	22,176	3,248,871	400,741
1986	4,435,673	436,600	2,021,672	203,019	2,414,001	233,581	243,606	22,790	4,192,067	413,810
1987	5,835,407	453,079	2,667,735	209,072	3,167,672	244,007	355,505	24,901	5,479,902	428,178
1988	7,684,268	470,019	3,516,698	217,466	4,167,570	252,553	504,794	26,602	7,179,474	443,417
1989	9,875,660	485,203	4,425,366	224,964	5,450,294	260,239	633,797	26,421	9,241,863	458,782
1990	13,238,466	499,839	5,753,365	231,753	7,485,101	268,086	818,249	27,314	12,420,217	472,525
1991	17,316,546	507,693	7,222,758	231,226	10,093,788	276,467	984,285	27,579	16,332,261	480,114
1992	23,132,629	523,100	9,538,497	240,309	13,594,132	282,791	1,272,553	28,839	21,860,076	494,261

1/ Internal private consumption is different from the measure of national private consumption presented in Tables I-D and II-D. Both include consumption of Colombians in the national territory. However, the former includes consumption of foreigners in Colombia and the latter that of Colombians living abroad. For a detail explanation of the items included in durable and non-durable goods and tradable and non-tradable goods, see López, et.al (1996), Table IV-B.

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